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Indonesian Minister Cited on U.S. Position

BK1011154994 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 10 Nov 94

[FBIS Translated Text] Hartarto, coordinating minister for industrial and trade affairs, has called on APEC [Asia-Pacific Economic Cooperation] member countries not to suspect the United States, which firmly continues to maintain its stand against the principles on binding investments. Hartarto said this after he hosted a reception in honor of chief delegates to the APEC ministerial meeting at the Jakarta Hilton Convention Center this evening. Tomorrow's ministerial meeting will immediately discuss the agenda and ways to speed up session proceedings.

[Begin Hartarto recording] The important thing is that what has been agreed in a consensus at the senior officials meeting today will be endorsed by the ministers. As such, we will be able to speed up the process of discussions tomorrow and achieve the desired results. [end recording]

New Thai Foreign Minister Arrives 10 Nov

BK1111134394 Bangkok Voice of Free Asia in Thai 1030 GMT 11 Nov 94

[FBIS Translated Text] According to a report from the Thai Embassy in Jakarta, Police Lieutenant Colonel Dr Thaksin Chinnawat, foreign minister, arrived in Jakarta at 1620 on 10 November to attend the Asia-Pacific Economic Cooperation [APEC] ministerial conference. At 1745 on the same day, he had a meeting with Singapore Foreign Minister Shunmugam Jayakumar at the Jakarta Hilton Hotel. Also present was Yeo Cheow Tong, Singapore minister of trade and industry. It was the first meeting between the foreign ministers of the two countries.

Singapore Foreign Minister Jayakumar said he believes personal contacts between ASEAN foreign ministers will contribute to ASEAN cooperation and invited the Thai foreign minister to visit Singapore at an appropriate time. The Thai foreign minister accepted the invitation saying such a visit would enable him to better know the Singapore foreign minister, and it is a tradition for ASEAN ministers to pay a visit when one takes up office as a new foreign minister.

The director general of the Information Department also reports that the Singapore foreign minister noted the excellent success achieved by the first ASEAN regional forum on security in Asia and the Pacific, held in Bangkok in July. He asked for Thailand's cooperation to promote the forum's success. The Thai foreign minister shared the Singapore minister's views and pledged to work closely with ASEAN countries to pursue the goal.

At 1830 on the same day, the Thai foreign minister and his delegation attended the meeting of heads of APEC ministerial level delegations to prepare for the meeting which will open the following day at the Jakarta Convention Center.

APEC Ministerial-Level Meeting Opens 11 Nov

Suharto Addresses Opening Session

BK1211110994 Jakarta SUARA PEMBARUAN in Indonesian 11 Nov 94 p 1

[FBIS Translated Text] Jakarta, 11 Nov—President Suharto has appealed to the sixth APEC [Asia-Pacific Economic Cooperation] Ministerial Meeting here to narrow the disparities in wealth among the Asia-Pacific nations through cooperation, which will improve their role in the world economy. The president hoped that the realization of our economic disparities will become a fresh motivating force, so that the dialogue and cooperation we have cherished so far will continue in a fraternal and constructive atmosphere. He expressed his hope when he opened the meeting at the State Palace on 11 November.

We have never given any moment's thought to making APEC an exclusive and isolated economic bloc, the president said. Steps have been taken to make world trade open, free and fair, he added. We have to stick to this commitment now and forever. Liberalizing trade and opening our doors to foreign investment have brought economic prosperity to every Asia-Pacific nation. The region's level of prosperity is higher than in many other countries. Hence, we are determined to continue to boost our efforts to facilitate investment flow and trade among APEC member countries and between APEC and other countries in other parts of the world.

President Suharto added that these efforts, however, must be accompanied by consultations on macro economics and other forms of cooperation to improve infrastructure, human resources development, the quality and quantity of small and middle businesses, and improved skills in absorbing and adopting sophisticated technology.

The president said the Asia-Pacific region has enjoyed significant progress in the last decade. Most Asia-Pacific countries have adopted appropriate economic policies, thus enhancing the achievements of present development targets. We also have encouraged entrepreneurs to play a greater role in new investments, the president was quoted as saying.

Meanwhile, we have consistently opened our market, resulting in the sharp increase of investments and international trade. All these have given our region an economic growth never before experienced.

The great role of overseas trade has increased the volume of investments between APEC members and countries from other regions. They see opportunities in the speedy and dynamic economic growth of this region, the president said.

The president added that we must benefit from this great momentum by proper follow-up action, without disregarding other economic achievements. We must direct it towards our common assets.

The Uruguay Round talks will certainly pave the way for freer trade and investments. The president also expressed his satisfaction that the trade ministers meeting here in October had reached a consensus on fulfilling their obligations effectively and consistently. APEC member countries also agreed to ratify the World Trade Organization [WTO] agreement soon, so that it can function effectively from 1 January 1995.

The president said the implementation of the commitment will increase the flow of investments into this region and the world. President Suharto also affirmed that with Law No. 7/1991 on 2 November 1994, Indonesia ratified the agreement to establish the WTO.

Whether we shall take further steps to liberalize trade and investments among APEC member countries will be determined at the APEC Economic Leaders Meeting in Bogor on 15 November. We hope the Bogor Summit will reach basic agreements on cooperation among APEC members as well as steps to liberalize trade and investment. The details of the agreement will be discussed further in the APEC ministerial meeting.

Prior to the president's address, Hartarto, coordinating minister for industries and trade affairs, reported to the president that 24 ministers were participating in the meeting. This includes the Chilean delegation, whose participation began with the sixth ministerial meeting. He also reported that the meeting will discuss matters on the economy, trade, investment, human resource development, and others.

Alatas Opposes Exclusive Trade Bloc

BK1111103894 Jakarta ANTARA in Indonesian 0932 GMT 11 Nov 94

[FBIS Translated Text] Jakarta, 11 November (ANTARA)—Foreign Minister Ali Alatas has stressed that the Asia-Pacific Economic Cooperation [APEC] forum does not want to become an exclusive trade bloc under which certain rules and principles must be obeyed by its members.

"We (APEC) do not favor a closed trade area on the basis of certain principles that must be obeyed by its members," he said following the signing of a bilateral investment cooperation agreement between Indonesia and Chile in Jakarta on Friday.

According to Alatas, the formation of open Asia-Pacific free trade (not the Asia-Pacific free trade area) will accommodate the business interests of countries outside the region.

The principles of open regionalism must be implemented by all APEC members. This means that each member will benefit from trade liberalization.

"Trade benefits will also be enjoyed by countries outside the region," he said. "However, many more points must be discussed by APEC members because the matter is still unclear," he added.

APEC, which was initiated by former Australian Prime Minister Bob Hawke in 1989, now has 18 members—six ASEAN countries, China, Japan, South Korea, Taiwan, Canada, the United States, Papua New Guinea, New Zealand, Australia, Mexico, Chile, and Hong Kong.

Alatas expressed his optimism that the APEC ministerial meeting from 11 to 12 November will reach a consensus. He referred to "non-binding investment principles" [preceding three words in English] which were finally endorsed. Earlier, the matter was bogged down at the Committee on Trade and Investment and the fourth senior officials meeting.

The United States, which strongly disagreed with three of the 12 investment principles—national treatment, performance requirement, and repatriation and convertibility—finally raised no objection to the principles on Thursday night.

"This is an indication that APEC has been able to settle differences in a spirit of give and take," he added.

Radio Reports Opening Proceedings

BK1111082294 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 11 Nov 94

[FBIS Translated Text] Forty-two ministers from 18 countries in the Asia-Pacific region, including Chile, which has become a full APEC [Asia-Pacific Economic Cooperation] member, started their meeting this afternoon. Besides infrastructure and human resource development, new issues pertaining to trade and investment will probably be discussed during the ministerial meeting. The meeting started with the presentation of a 16-page report on the results of the senior officials meeting [SOM]. The report also contains issues which could not be resolved during the SOM. The implementation of the results of the APEC leaders summit held on Blake Island in November last year was also discussed during the SOM.

Here is Ahmad Prambahan on the proceedings of the ministerial meeting.

[Begin recording] [Prambahan] Only two of the 12 topics of discussions were finalized during the APEC ministerial meeting at the Jakarta Convention this afternoon. The remaining topics are expected to be finalized tonight. The two topics pertain to the nonbinding investment principles. Meanwhile, the U.S. delegation finally endorsed three principles which it earlier rejected during the preparatory meeting and the SOM.

Answering a question from RRI on the importance of the ministerial meeting, Mari Pangestu, an observer from the Pacific Basin Economic Council, said she noted the importance of the nonbinding investment principles and the pattern and goals of trade liberalization as well as other matters such as the institutionalization of APEC.

Mari Pangestu admitted that there had been a great leap forward in the process of APEC becoming a reality after the Seattle summit. Thus, the Jakarta and Bogor meetings will become the main foundations for the future development of APEC.

[Pangestu] Well, we have reached a consensus on the nonbinding investment principles. I consider this a step forward in view of recent developments. We do not know yet about trade liberalization, however. I do not expect this to be endorsed during the ministerial meeting. We will know about the trade liberalization issue more precisely during the leaders' summit. [end recording]

ROK Foreign Minister Speaks 11 Nov

SK1211021894 Seoul YONHAP in English 0200 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 (YONHAP)—South Korean Foreign Minister Han Sung-chu pressed for reconciliation between the Asian and American trade regions Saturday, calling this marriage the key to future success.

Considering the rapid progress made by the European Union, reconciliation between the North American Free Trade Agreement (NAFTA) and Asia-Pacific Economic Cooperation (APEC) is a must, Han said in a speech to the APEC ministerial conference here.

He called special attention to the new membership issue, proposing a special ad hoc committee to study the matter. He pointed out that many have applied to join APEC despite the decision last year to impose a three-year moratorium on new membership. The applicants should be allowed to participate in working group meetings as observers, Han proposed.

He supported the membership moratorium, saying the decision was based on adding substance to APEC in favor of merely expanding its areas of activity.

APEC should balance the width and depth of its organization, considering members' geographical locations and their economic links, Han said. Mid- and long-term goals should be set based on strategy for expanding APEC membership and strengthening the organization, he said.

ROK Trade Minister Speaks 11 Nov

SK1211013994 Seoul THE KOREA HERALD in English 12 Nov 94 p 8

[FBIS Transcribed Text] Minister of Trade, Industry and Energy Kim Chol-su yesterday said that the liberalization of free trade and investment among Asia-Pacific Economic Cooperation (APEC) member countries should be made within the GATT framework and should be in harmony with APEC's underlying basic principle of "open regionalism."

"APEC's trade and investment liberalization is a necessary complement to the functions of the soon-to-be-launched World Trade Organization (WTO)," said Kim in a speech on trade and investment on the opening day of the sixth APEC Ministerial Meeting in Jakarta, Indonesia.

According to the speech, made available here yesterday, Minister Kim stressed the importance of advanced countries' technology transfer to developing nations to achieve co-prosperity in the Asia- Pacific region.

Kim proposed a wider participation of the private sector in APEC activities, while calling on the participating APEC leaders to outline a long-term vision on free trade and investment liberalization in the region.

To produce more tangible results, he also recommended APEC leaders set priorities and timetables for activities of APEC's Committee on Trade and Investment (CTI).

Minister Kim urged the leaders to speed up the conclusion of the ratification of the WTO agreement for a successful, timely launch of the WTO from Jan. 1 next year.

He also urged China and Taiwan, members of APEC, to enter GATT as full members.

Kim proposed the establishment of sub-committees on customs procedures and on standards and conformance under the CTI. Korea currently chairs the CTI.

Minister Kim and Foreign Minister Han Sung-chu represent a 31- member Korean delegation to the APEC Ministerial Meeting.

Eighteen APEC leaders will meet in Bogor near Jakarta next Tuesday for the second APEC Economic Leaders' Meeting.

Thai Minister Addresses Conference

BK1111155294 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Nov 94

[FBIS Translated Text] Deputy Prime Minister Suphachai Phanitchaphak said the second report prepared by the Eminent Persons Group, or EPG, of the APEC [Asia-Pacific Economic Cooperation] which covers two major areas—trade liberalization and trade facilities—is very useful to the Asia-Pacific region and should be studied by other trade groups worldwide. He noted that the EPG was very prudent to propose different timeframes for different APEC member countries. For this reason, APEC countries will find it rather difficult to turn down such a proposal. In any event, he said, Thai leaders desire to see the four following points carried out:

First, the timeframe should not be too short or too long to ensure successful implementation of the plan.

Second, the plan should be gradually carried out and should be flexible so that each country can make necessary adjustments.

Third, the timeframe should not be too rigid.

Fourth, no additional rules should be adopted beyond the GATT framework.

Addressing the APEC ministerial meeting at the National Convention Center in Indonesia this afternoon, Commerce Minister Uthai Phimchaichon said the meeting is an important event reflecting APEC's active role in economic development in this region, adding that more attention is needed to ensure that APEC will fulfill the needs of member countries and that its works are carried out as planned. The commerce minister praised the Committee on Trade and Investment for its tangible achievements registered in the past year and said the work plan for 1955 will bring heavy burdens to the committee. Considering the limitations on resources, personnel, and time, emphasis should be placed on the work plans and projects that answer regional needs and private sector requirements.

The commerce minister went on to say that Thailand has attached significance to the plan to create trade facilities and will expedite implementation of related projects such as readjusting Customs procedures, setting the tariff database, working out common standards, and recognizing medium- and small-size state enterprises. Moreover, he asked the committee to attach significance to the work plan put forth by the trade ministers at the meeting in Jakarta in October, in particular on the proposed seminars to propagate an understanding of the obligations adopted by the Uruguay Round of GATT talks and their implementation.

Thai Minister Cited on Proceedings

BK1211092194 Bangkok THE NATION in English 12 Nov 94 p A3

[Report by Thanong Khanthong in Jakarta]

[FBIS Transcribed Text] The Asia-Pacific Economic Cooperation (APEC) kicked off yesterday with what Deputy Prime Minister Dr Suphachai Phanitchaphak described as a "watershed" meeting.

The meeting saw the consultative body breach its consensus spirit, undergo quick-paced institutionalization and propose a broad trade liberalization beyond the Uruguay Round of GATT.

Thailand is deeply concerned about the way the six-year-old informal consultative forum is being manipulated by a handful of countries, which have been trying to steer APEC, with hidden agendas, to their own advantage.

Without naming names, Suphachai said—before attending the first-day session—that some countries have already been dominating the APEC forum to the effect that its consensus principles have been breached.

The 18-member APEC operates on a voluntary basis and a consensus is needed to arrive at any agreement. The United States and Australia have been the strongest advocates of free trade, with a hidden agenda to create a free trade area within the Asia-Pacific.

Suphachai also raised concerns over the institutionalization of APEC, a process that he said is happening "faster than in any organization in the world".

Evidence is the formation of the APEC Committee on Trade and Investment and the APEC Economic Committee, which represent the two pillars that will link the APEC member countries into formal arrangements with legal binding consequences.

Within the Economic Committee, which has been upgraded from an ad hoc status, it is likely that APEC members might be tempted into talking about coordination on macro-economic policies, something the G-7 club has been doing, albeit with divergent interests and motives, every year.

Suphachai said there is a certain amount of merit in the exchange of information on policies, but it is still premature to have policy coordination since the strength and structure of the various APEC economies remain vastly divergent.

He also cautioned against any attempt to use APEC to superimpose on the General Agreement on Tariffs and Trade/World Trade Organization [WTO], whose universal rules on the global trading system should be respected.

In his statement to the APEC meeting, Suphachai made the strong point that Thailand, a strong supporter of trade liberalization, was against any attempt to create a trade bloc in the Asia-Pacific region.

"The liberalization, whether undertaken bilaterally, multilaterally or regionally, should not result in the creation of a trade bloc," he said. "Therefore, trade liberalization must be conducted or carried out strictly within the principles of GATT, that is, the unconditional most-favoured nation principles."

As for the proposal to create free trade in APEC, Suphachai pointed out that it is a political decision that the leaders of the APEC must make. But he also made the following clarifications:

Firstly, the timeframe should not be too short so that it is unworkable, nor too long so that it would make the undertaking look unattainable.

Secondly, the process must be gradual, allowing for flexibility so that different economies would have enough time to adjust, depending on their economic status.

Thirdly, instead of setting a definite timeframe which tends to scare off people an indicative timeframe should be contemplated.

Fourthly, there should not be any obligations over and above those stipulated in GATT/WTO.

The Eminent Persons Group, an advisory body, has suggested that APEC set up a dispute mediation service mechanism to settle trade disputes among the member countries so that unilateral action can be avoided.

On this proposal, Suphachai said that settling any trade disputes within the dispute mediation service should be done voluntarily and in no case should it substitute GATT's dispute settlement procedure.

Thai Minister on Need for Consensus

BK1111072094 Bangkok Radio Thailand Network in Thai 0530 GMT 11 Nov 94

[FBIS Translated Text] Speaking to reporters about the sixth APEC [Asia-Pacific Economic Cooperation] ministerial meeting, which was opened at the national convention center in Jakarta today, Deputy Prime Minister Suphachai said it is necessary for APEC-member countries to agree on a working philosophy, in particularly the application of the major principle of consensus within APEC.

Suphachai, in his capacity as adviser to the head of the Thai Government's delegation to the APEC meeting, said that the principle of consensus is that every country must do the same thing. Various projects had to be canceled or terminated due to a lack of consensus among the countries concerned. Therefore, an agreement must be reached within the APEC framework to allow certain countries which are ready to go ahead with implementing certain projects to do so, while permitting those which are not yet ready and are having problems to catch up later. By so doing, no country will be accused of violating the accord. Malaysia, however, does not believe that the principle of consensus is applicable. Therefore, an agreement must be reached the during the meeting. If we wait for next year when Japan hosts the meeting, we will face difficulties in bargaining with developed countries such as Japan and the United States.

Commenting on the role of the Eminent Persons Group [EPG], the deputy prime minister said the dissolution of this group is unlikely to cause any problem. We must, however, consider whether or not it is necessary to comply with the recommendation proposed by the EPG. Today's meeting will be encouraged to map out an APEC ministerial work plan without having to rely on the work of the EPG. He said that during the meeting he would try to convince participants that the EPG had done its job. If the APEC leaders want the EPG to continue its operations, they must clearly describe its functions.

PRC 'Retreating' From Earlier Stance

BK1111080194 Hong Kong AFP in English 0735 GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, Nov 11 (AFP)—China on Friday was retreating from opposition to setting a deadline for scrapping trade barriers among APEC [Asia-Pacific Economic Cooperation] members, diplomats said at a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum here.

In the runup to the APEC meeting, which will be followed by a summit on Monday and Tuesday, China had spoken out against setting a date for liberalisation, describing it as unacceptable. But diplomats here, confirming indications of a U-turn that emerged on Wednesday, said Chinese officials had signalled a deadline could be accepted, provided it was tied to "flexibility" for developing economies, struggling to adapt to outside competition.

The timetable question has been one of the knottiest issues facing the 18 APEC members at their Jakarta meeting, pitching China and Malaysia against free-traders such as the United States, New Zealand, Australia and Hong Kong.

Two panels set up by APEC have respectively suggested 2010 and 2020 be set as the ultimate goals for free trade. There was no immediate word on any quid pro quo for China in return for the concession.

Last week, China reportedly said it would give ground on the timetable, provided it won support for early re-admission to the General Agreement on Tariffs and Trade, so that it becomes a founder-member of the GATT successor, the World Trade Organisation (WTO).

Chile Prefers Immediate Free Trade

PY1111131794 Madrid EFE in Spanish 0806 GMT 11 Nov 94

[FBIS Translated Text] Jakarta, 11 Nov (EFE)—Chile wants free trade in the Pacific Basin "tomorrow," although it will respect the consensus that could emerge from the second APEC (Asia Pacific Economic Cooperation) summit that will be held 15 November in Indonesia.

The foreign affairs and economy ministers today began their plenary session seeking to achieve a consensus concerning the deadline for declaring the APEC region a free trade zone.

Juan Salazar, director general of the Chilean Foreign Ministry's International Economic Relations Department, told EFE that Chile will not present any obstacle when the dates are set for APEC to achieve free trade.

Some countries, such as Malaysia and China, have expressed certain reservations concerning the deadlines, arguing that the diversity of the economies of APEC members prevents the implementation of rigid rules of compulsory fulfillment.

For Chile, APEC is a platform for increasing its presence in Asia, and a way to prevent the world from becoming divided into exclusive trade blocs, such as those that now appear to have formed in America, Europe, and Asia, Salazar said.

In a message addressed to the countries participating in the forum, on the occasion of Chile's entry into this organization, Chilean Foreign Minister Jose Miguel Insulza said that "integration with the Asia-Pacific region has become a national objective, as an imperative for economic and social modernization."

Chilean President Eduardo Frei, who is making an official visit to Australia, will participate in the summit of APEC presidents on 15 November.

Liberalization Timetable Set Aside

BK1211091094 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Nov 94

[FBIS Translated Text] The first day of the APEC [Asia-Pacific Economic Cooperation] ministerial meeting in Jakarta yesterday agreed not to set a fixed timetable for the implementation of Asia-Pacific trade liberalization. Hartarto, chairman of the ministerial meeting, said APEC ministers were unable to decide on the timetable for trade liberalization as proposed by the Pacific Business Forum and the Eminent Persons Group. Therefore, APEC ministers agreed to put aside the issue so as not to affect more important talks, including on a trade and investment system.

Ministers View Free Trade Timetable

BK1211093794 Bangkok BANGKOK POST in English 12 Nov 94 pp 1, 3

[Report by BANGKOK POST reporters from Jakarta]

[FBIS Transcribed Text] Jakarta—The split in the Asia Pacific Economic Cooperation (APEC) group over proposals to create regional free trade appeared to widen yesterday and ministers backed out of making any recommendations to their leaders.

Deputy Prime Minister Suphachai Phanitchaphak's statements during the first day of the annual APEC ministerial meeting were some of the most negative Thailand has made so far.

He repeated that Thailand will not oppose any attempt to set a target date for free trade in the statement expected to be issued when APEC leaders hold their informal summit in Bogor just outside Jakarta on Tuesday.

But he warned that concentrating on regional trade liberalisation would deflect attention away from implementation of the world trade agreements that are due to take effect early next year.

And he argued that APEC should place greater emphasis on further reform of global trade, for example in proposing and preparing for a new round of negotiations.

Although some APEC members, particularly Australia will be pressing hard for the informal APEC summit on Tuesday to set a target date for liberalisation, the chances of the group agreeing on a date appeared to be receding.

Dr Suphachai and Thai officials said they were surprised that discussion on regional free trade ended without any attempt to reach agreement. Some speculated that the Clinton administration's defeat in Congressional polls may have weakened American ardour for APEC to make a firm commitment on regional free trade.

Indonesian Foreign Minister Ali Alatas cast yesterday's proceedings in a different light. He said that it would be improper for ministers to preempt their leaders with a decision.

Indonesian President Suharto has become actively involved in drafting APEC trade liberalisation proposals and is likely to give the issue considerable importance when hosts Tuesday's meeting.

Chinese Foreign Minister Qian Qichen weakened his country's reservations about the plans slightly. He said China supports Indonesia's proposal that a timetable should be drawn, but should take into account the different conditions in APEC countries.

The United States is said to be the strongest opponent of APEC members having different timetables.

Yesterday, ministers covered seven out of 14 items most of them routine reports. They were able to agree on a voluntary code of practice on foreign investment, and to create a third APEC economic committee, joining committees on trade and investment and on budget and administration.

The ministers also agreed on a declaration on human resources development.

The most controversial topic yesterday was the debate on proposals for regional free trade. Representatives of the authors, the APEC-appointed Eminent Persons Group of academics and economists, and the private-sector Pacific Business Forum, were questioned about their ideas.

The strongest support came from Australian Foreign Minister Gareth Evans.

He said Australia "fully embraced" the ideas of the proposals, including a call for a freeze on existing trade barriers.

"Although the case for free trade is a formidably strong one, we all know that making a commitment to it, and setting a target date for final completion—as Australia very much hopes the leaders will do—is only the beginning of the story," Mr Evans said in a statement prepared for the ministerial meeting.

The central question, he said, was how APEC should approach attempts to liberalise beyond the commitments of the Uruguay Round of world trade talks.

"It is neither necessary nor desirable for us to reach any concluded view on it now."

He isolated three questions: what the liberalisation plans should cover, when they should be implemented, and how non-members of APEC should be treated.

The most difficult of these for APEC has been the timetable. Mr Evans said the 2020 target for conclusion proposed by the Eminent Persons Group was more realistic than the 2010 target proposed by the private sector forum.

He endorsed the idea of a slower pace for less developed APEC countries, as did New Zealand's deputy prime minister and foreign minister, Don McKinnon.

He described the Eminent Persons Group's target for starting liberalisation—the year 2000—as too slow but probably realistic.

But, he warned: "We have to be realistic about the size of the negotiating task ahead."

Mr Evans added: "If we and our leaders miss the opportunity here in Indonesia to grasp the issue of free and open trade in the region and really move it forward, we may never get another chance."

The possible magnitude of negotiating APEC free trade was also suggested by Dr Suphachai who, for the first time, spoke of possible specific trade-offs. He said that if the United States wanted to "go beyond" the Uruguay Round by seeking further liberalisation in services, then countries such as Thailand would call for textiles quotas to be lifted faster than prescribed in the Uruguay Round deal.

He called for APEC to give itself more time to consider more carefully what might be needed for regional liberalisation. In particular, APEC should see how implementation of the Uruguay Round deals progresses before deciding what action to take within the region, he said.

Japanese spokesman Takeshi Nakane told reporters his country was non-committal on the question of target dates.

Chau Tak Hay, Hong Kong's trade and industry secretary, APEC should have a target date but this should not be decided yet.

"We can work out the details in the next 12 months and thereby at this point avoiding some very difficult decisions."

Chilean Commerce Minister Alvaro Garcia said a target would help to mobilise members into taking action. Once APEC had moved toward freer trade, the rest of the world would follow suit.

Taiwan Supports Free Trade by 2020

BK1111050994 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Nov 94

[FBIS Translated Text] Taiwan fully supports the implementation of free trade in the Asia-Pacific region by 2020, which will become one of the main topics of discussions in the APEC [Asia-Pacific Economic Cooperation] summit on 15 November.

Vincent Siew, chairman of Taiwan's Council for Economic Planning and Development, told reporters after playing golf with Ginanjar Kartasasmita, chairman of the National Development Planning Board, at the Sentul Golf Course in Bogor yesterday that the idea is very good because it is time for APEC to show its ability to lead a movement toward more open and more fair world trade. Vincent Siew said the formulation of the free trade timeframe should, however, carefully take into account the readiness of the APEC members themselves so that its implementation will no longer face obstacles and will proceed as scheduled. For this reason, all APEC members must reach a consensus on the implementation of free trade.

Malaysia Supports Investment Principles

BK1111123694 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 Nov 94

[FBIS Translated Text] Malaysia in principle supports and endorses the 12 non-binding investment principles discussed by the Committee on Trade and Investment. Rafidah Aziz, Malaysian international trade and industry minister, told reporters following the end of the first session this afternoon that Malaysia also endorses the formation of a commission to handle investment in the Pacific region. Rafidah Aziz, however, declined to explain in detail the planned timeframe for trade liberalization. According to her, only economic development, investment, and trade in the region were discussed in general during the first session of the APEC [Asia-Pacific Economic Cooperation] ministerial meeting today.

Impact of Free Trade on Indonesia

BK1111031894 Bangkok THE NATION in English 11 Nov 94 p A 13

[Article by Thanong Khanthong and Achara Phongwuthitham: "Suharto's free-trade bid could backfire"]

[FBIS Transcribed Text] Indonesian President Suharto's radical proposal to create a free trade area in the Asia-Pacific region by 2010 may serve to deepen his myth and leave behind a lasting legacy, but the price Indonesia will have to pay might not be worth it.

"This country will have to pay dearly for Suharto's initiative," a Jakarta-based trade expert said.

In the absence of developed medium scale industries, most Indonesian industries monopolized by concessions, would suffer from cheaper and better quality good shipped in from its major trading partners once the country committed itself to the Apec [Asia- Pacific Economic Cooperation] free trade.

The timing of 2010 is too soon for the Indonesian industries to make a transitional adjustment.

"Indonesia may be able to cope with trade liberalization under the Afta [ASEAN Free Trade Area] Free Trade Area, but it certainly cannot do so against major trading partners in Apec," the trade expert said.

The 73-year-old president, who has outlasted most of the world's leaders during his 26-year reign, intends to leave his personal stamp at the informal leaders' conference of the Asia-Pacific Economic Cooperation he will host on Tuesday.

"He has reiterated, to both the military and government officials, that he wants this summit to be successful and clean," an Indonesian journalist said.

Beyond his wildest expectations, Suharto has managed to turned the clock faster by touting the proposal that Apec members adopt the objective of creating an Asia-Pacific free trade area by 2010, a radical idea that even the Indonesian officials were not fully informed about.

"Even the Indonesian officials were surprised by Suharto's proposal," said a Thai foreign official.

The situation clearly shows that Indonesia is following a two- tiered foreign and economic policy, with the presidential office going in one direction and the ministries in another.

As early as September 1991, Hartarto, coordinating minister for trade and industry, had objections to a proposal that would have created a free trade area among the members of the Association of Southeast Asian Nations (Asean).

Then he told a member of the Eminent Persons Group, when asked about the possibility of creating the Afta Free Trade Area: "Free trade is a dirty word."

Three years later and Indonesia, which has already joined Afta, is talking about free trade in the most liberal terms, to the consternation of its Asean counterparts who are split over the Apec debacle.

Suharto is also spearheading Apec to liberalize trade beyond the General Agreement on Tariffs and Trade (Gatt), a spectre which arouses fears that it might lead to an Asia-Pacific trade bloc.

According to officials, Suharto is embarking on a solo mission to launch the Apec free trade area, against objections from Indonesian officials.

"He does not take into account the marked difference between free trade and a free trade area and its ramifications," the Indonesian journalist said.

Kwik Kian Gie, a member of the minority Indonesian Democratic Party, was quoted by the JAKARTA POST as saying that Indonesia must put its own house in order before endorsing the idea of a free trade zone in the Asia-Pacific.

He said Indonesia's sharp increase in exports was no indication of the country's competitive edge, because most Indonesian manufacturers remained inefficient.

"We can increase exports because we have suppressed workers' wages and have continued to depreciate the rupiah," Kwik said.

Thailand Urges Dissolution of EPG

BK1211085394 Bangkok THE NATION in English 12 Nov 94 pp A1, A4

[Report by Thanong Khanthong, Atchara Phongwutthitham, Yindi Loetcharoenchok, and Chirawat Na Thalang in Jakarta]

[FBIS Transcribed Text] The 18 leaders of the Asia-Pacific Economic Cooperation (APEC) forum are likely to agree quickly to the immediate launch of the world's largest free trade area, according to conference sources working on the final draft statement.

Although the Bogor summit stops short of citing the creation of another trade bloc, it is expected to endorse a commitment to achieve a "goal of free and open trade and investment in Asia Pacific", encompassing a free flow of goods, services and capital by the year 2020.

"Instead of using the word 'target' which might sound coercive, leaders are expected to agree on the looser term 'goal'," said a source.

Trade liberalization will be accompanied by trade facilitation and leaders are expected to instruct their ministers and officials to work immediately on the arrangements for customs, standards, investment principles and administrative barriers to market access.

The Eminent Persons Group, an independent advisory panel, has suggested that trade liberalization within APEC should begin in the year 2000 and move towards completion by 2020, by which time all trade barriers between APEC member countries will be dismantled. However, Indonesia has pushed for the trade liberalization process to begin within APEC by 1996.

APEC ministers endorsed this timeframe, and in a joint statement to be released today they will call for the APEC Committee on Trade and Investment to start developing practical approaches by 1995 to allow APEC to move to its medium-term target for full trade liberalization.

Achievement of full trade liberalization is expected by 2010 for most member countries, with 2020 the goal for developing economies.

Thai officials said Thailand could manage to dismantle its trade barriers to allow free trade within APEC no sooner than 2010.

A draft statement from the APEC leaders says: "Our goal is an ambitious one, but we are determined to demonstrate APEC's leadership in fostering further global trade and investment liberalization. Our goal entails a multiple year effort.

"We will start our concerted liberalization process from the very date of this statement."

More significantly, the APEC leaders are expected to go beyond trade liberalization as agreed in the Uruguay Round of multilateral trade agreements by promising to undertake work aimed at "deepening and broadening" the Uruguay Round's outcome.

However, Deputy Prime Minister Suphachai Phanitchaphak cautioned against moves to go beyond the rules of the General Agreement on Tariffs and Trade as that would create more redundancy and inefficiency.

The APEC leaders are expected to issue their objections to the creation of an inward-looking trading bloc which would go against the pursuit of global free trade, seeking instead to promote trade and investment liberalization among both APEC and non-APEC economies.

Their draft statement, to be issued on Tuesday, the "APEC Economic Leaders' Declaration of Common Resolve", outlines APEC intentions to adopt the long-term goal of free and open trade and investment in the Asia-Pacific, and avoids using sensitive terms such as "free trade area" or "free trade zone".

"This goal will be pursued promptly by further reducing barriers to trade and investment and by promoting the free flow of goods, services and capital among our economies," the statement said.

"We will achieve this goal in a GATT-consistent manner and believe our actions will be a powerful impetus for further liberalization at the multilateral level to which we remain fully committed."

—Deputy Prime Minister Dr Suphachai Phanitchaphak suggested yesterday that the EPG [Eminent Persons Group], who have helped provide a vision for the Asia-Pacific region, "be disbanded with honour" and also charged it with having a "hidden agenda" in preparing its report on free trade for the region.

Other ministers of the APEC forum have yet to decide on the matter.

As chairman of the ASEAN economic ministers, Suphachai was most eloquent during yesterday's APEC ministerial meeting about the dissolution of the EPG formed by a Bangkok initiative in 1992 and which has produced two controversial reports on how the organization may achieve continued growth and prosperity through trade liberalization.

"The EPG has done more than its fair share of work and it should be disbanded with honour," Suphachai was quoted as telling his APEC counterparts.

He also urged APEC to achieve trade liberalization in similar ways to that of the Uruguay Round, which was the final round for the GATT, so that it may be remembered as an "APEC Round".

The EPG, headed by Dr C Fred Bergsten from the US, had also agreed to disband itself believing that it had completed its assignment with thought-provoking results.

Suphachai questioned Bergsten during the ministerial meeting whether the EPG had any hidden agenda in its report "Achieving the APEC Vision", because the trade liberalization the EPG recommends goes beyond that of GATT.

First Day Proceedings Summarized

OW1111160794 Tokyo KYODO in English 1552 GMT 11 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 11 KYODO—Ministers from the Asia-Pacific region on Friday [11 November] mulled free trade plans for the area envisioned by two groups, but stopped short of adopting either of the proposed trade liberalization time frameworks.

Foreign and trade ministers from 18 countries and territories in the Asia-Pacific Economic Cooperation (APEC) forum thus agreed to leave the issue to a meeting of APEC leaders to be held in Bogor next Tuesday.

During the first-day session of the APEC ministerial conference in Jakarta, opinions were mixed among APEC members over how to transform the Asia-Pacific area into a free trade zone, Japanese Government officials told reporters.

Friday's discussion was based on two free trade visions—one prepared by the Eminent Persons Group (EPG), an APEC advisory group, and the other by the Pacific Business Forum (PBF), a private sector version of the EPG.

The EPG has called for freeing trade and investment in all goods and services in the Asia-Pacific area by 2020 while the PBF has set a more ambitious deadline of 2010.

The ideas contained in the two reports are "very useful" and "worthy of serious discussion," many APEC ministers were quoted as saying.

But no clear-cut consensus was reached, especially over the setting of a trade liberalization deadline, prompting Indonesian Coordinating Minister Hartarto, the chairman of the APEC meeting, to take the case to the Bogor gathering of APEC leaders.

Japanese Foreign Minister Yohei Kono described the EPG report as "a politically important vision for an accelerated step forward toward trade liberalization."

But he warned against the idea possibly leading to "a discriminatory and exclusionary trading bloc," citing the need to study the report further from "the legal and practical viewpoints."

Japanese International Trade and Industry Minister Ryutaro Hashimoto said, "whatever will be determined at the Bogor gathering, Japan, as the host of the next year's APEC session, is ready to work out a blueprint to put proposals to practical use."

During Friday's session, APEC ministers, including those from the dissident United States, adopted a set of nonbinding investment principles, an action expected to make the investment environment in the Asia-Pacific area more open, thus spurring economic development in the region.

APEC ministers unanimously adopted a declaration calling for joint efforts to foster human resources development in the Asia- Pacific area.

The declaration will feature promotion of labor flows between advanced and developing countries, laying down a systematic approach for the education and training of workers and launching an experts' meeting to review implementation of these goals, the Japanese officials said.

Foreign Minister Kono termed the declaration "significant as it is expected to give an added momentum to fostering human resources in the Asia-Pacific area on a long-term basis."

The new investment code and the declaration on human resources will be officially unveiled in a joint statement to be issued after the APEC ministerial meeting Saturday.

During Friday's meeting, APEC ministers did not arrive at a clear understanding of how to define "open regionalism," the concept introduced at the time of APEC's founding in 1989.

In the course of preparing the EPG report, there was debate as to how trade benefits applying among the APEC members can be extended to nonmembers.

EPG members were unable to reach agreement, but suggested two possible ways of achieving that objective—either on a conditional (reciprocal) basis, using free trade arrangements, or on an unconditional (most-favored-nation) basis in conformity with rules already existing under the General Agreement on Tariffs and Trade (GATT).

The United States and Japan are at loggerheads on the issue, with Washington pushing for conditional liberalization and Tokyo favoring the unconditional GATT-consistent basis.

How this issue will be reflected in the joint statement is anybody's guess, Japanese officials said.

Saturday's ministerial session, which will end before noon, will deal with such issues as intra-APEC cooperation for infrastructure improvement, the nurturing of medium and small enterprises and the overall review of APEC projects introduced during last year's meeting in Seattle, the officials said.

ROK To Support DPRK Entry

SK1211003194 Seoul YONHAP in English 0024 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 (YONHAP)—South Korea is willing to back North Korea's entry into the Asia-Pacific Economic Cooperation (APEC) forum when the conditions are ripe, Foreign Minister Han Sung-chu told reporters Friday.

"We will consider it at a certain stage once North Korea applies for APEC membership," Han said just before meeting with the Japanese foreign minister.

Han and his counterparts are here to attend the sixth ministerial conference of the 18-member APEC. "But APEC has decided to hold off on new membership for a while, so North Korea's entry may be difficult in the coming two or three years," he said.

The foreign minister wasn't discouraged by Pyongyang giving the cold shoulder to Seoul's inter-Korean economic cooperation proposal. "The cooperation would actually help North Korea," he said.

He stood firm against a U.S. move to lift South Korea's developing nation status, saying no one should unilaterally decide whether a country is a developing nation or not. "The Seoul government position is to remain a developing country within the World Trade Organization (WTO)," Han said. But even if the United States did decide to remove South Korea's developing nation status, it would only affect subsidies for industrial products, he said.

"It will not affect the agricultural sector," said the foreign minister. "We do not benefit highly from being treated as a developing country. It is just that we want to keep the status as a matter of principle."

U.S. Not Opposed to DPRK Entry

SK1211105094 Seoul YONHAP in English 1043 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 (YONHAP)—U.S. Secretary of State Warren Christopher said Saturday [12 November] that the United States is not opposed to North Korea's entry to the international community despite various problems involving Pyongyang's implementation of accords, human rights and international terrorism.

Christopher told a joint press conference at noon here that North Korea's admission to the Asia-Pacific Economic Cooperation (APEC) is not a matter of today but of future in accordance with APEC's agreement that it would not receive any new membership application by the end of 1996.

The American secretary was speaking at the Hilton Convention Center at the end of the APEC's ministerial meeting.

His remark is regarded as an indication that Washington would consider Pyongyang's admission to APEC until after 1996 after watching the Communist country's implementation of U.S.-North Korean agreement in Geneva last month and its efforts to solve the human right problems.

Christopher also said that regardless of American midterm election the U.S. foreign and international trade policies will remain unchanged.

Meanwhile, Malaysia suggested to the ministerial meeting that it host the APEC meeting in 1998 in succession to Japan in 1995, the Philippines in 1996 and Canada in 1997.

Taiwan Minister Speaks 12 Nov

OW1211092694 Taipei CNA in English 0815 GMT 12 Nov 94

[By C.C. Lung and Sofia Wu]

[FBIS Transcribed Text] Jakarta, Nov. 12 (CNA)—Taiwan's Economic Affairs Minister P.K. Chiang Saturday [12 November] urged APEC members to strengthen policy dialogue to promote the healthy development of small- and medium-sized enterprises (SMES).

Speaking at an APEC ministerial meeting, Chiang said small and medium enterprises have played an important role in economic development in all member economies of the Asia-Pacific Economic Cooperation (APEC) Forum.

"This is the finding of a comprehensive survey of SMES in all APEC economies conducted by the Taiwan government earlier this year," Chiang noted.

The survey also found that SMES in all APEC member economies are facing difficulties in exports, overseas investment, structural changes and technological upgrading, Chiang said.

"Shortages of technical manpower and a lack of access to financing channels and market information are common problems plaguing SMES in all APEC member economies," he explained.

Noting that all member economies have taken steps to help their SMES, including tax incentives and assistance in financing, marketing and technological development, Chiang said policy coordination among APEC members is also very important in boosting SMES development.

The survey found that all APEC members agree to hold more seminars on SMES-related topics, including manpower resources development, technology transfer, financing cooperation and linkage of trade information networks, Chiang said.

"We believe exchanges of information and experience will help increase trade and investment opportunities and boost sme development," he added.

Chiang also suggested that all APEC members further ease restrictions on trade and investment to promote global free trade and establish a comprehensive service system to help SMES launch new ventures in risky high-technology fields.

He further recommended the publication of a SME guidebook detailing SME administrative units in all APEC economies and related regulations, policies and guidance measures.

The annual APEC ministerial meeting opened in Jakarta Friday. Chiang was the first to speak in the Saturday morning session. Taiwan was responsible for preparing a detailed SME report for discussion in the ministerial meeting. The report has won praise from APEC members for its valuable findings and suggestions.

APEC has decided to set up a special task force to promote SME policy dialogue among all members.

APEC groups Taiwan, Mainland China, Hong Kong, the United States, Canada, Australia, New Zealand, Japan, South Korea, Mexico, Papua New Guinea, Singapore, Philippines, Malaysia, Indonesia, Thailand, Brunei and Chile.

Malaysian Minister on Meeting Outcome

BK1211140794 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 12 Nov 94

[FBIS Translated Text] Datuk Sri Rafidah Aziz, minister of international trade and industry, has described the APEC [Asia-Pacific Economic Cooperation] Ministerial Meeting in Jakarta as successful. This is because it has directed the loose consultative forum to implement programs and projects. The issue of a timetable or deadline for trade liberalization was not discussed. She said this in reference to the APEC Eminent Persons Group [EPG] suggestion that APEC member countries achieve trade and investment liberalization by the year 2010.

The minister also denied mass media reports that Malaysia is alone in opposing the deadline set by the EPG. She said that in addition to Malaysia, several other countries had expressed similar reservations.

The joint statement issued at end of the ministerial meeting says that the EPG report has become a useful reference for future negotiations, including the upcoming informal APEC leaders forum in Bogor. The EPG report set several principles for APEC member countries to ensure a smooth flow of trade and investment, trade liberalization, and technical cooperation in the region.

Radio Reports 12 Nov Proceedings

BK1211143894 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 12 Nov 94

[FBIS Translated Excerpt] Listeners: we are going to the RRI mini studio at the Jakarta Convention Center to get the latest information on the APEC [Asia-Pacific Economic Cooperation] meeting.

[Begin recording] [Unidentified correspondent] Hong Kong hopes that the upcoming APEC Economic Leaders Meeting in Bogor on 15 November will produce a declaration on trade liberalization among APEC members. Speaking to reporters in Jakarta this evening, Hong Kong Trade and Industry Secretary Chau Tak Hay said the declaration will boost free trade in the region at a suitable time. To maintain this momentum, APEC should pay attention to the work programs acceptable to all, including efforts to boost credibility in the business and economic sector.

The unification of China and Taiwan was the topic of discussion at the news conference given by Chinese Foreign Minister Qian Qichen this afternoon. Our correspondent Erna Sulistini reports:

[Sulistini] Talks on the China-Taiwan unification must be held peacefully through a special forum. Speaking at a news conference at the Jakarta Convention Center after the APEC Ministerial Meeting ended, the Chinese foreign minister said the issue must be discussed in private between the two parties. [Qian's recording in Chinese indistinct]. On talks with U.S. Secretary of State Warren Christopher, Qian Qichen said they discussed efforts to improve ties and sought ways to overcome several existing obstacles. [passage omitted on journalists visiting Bogor palace and painting contest]

[Unidentified correspondent] The APEC Ministerial Meeting which ended this afternoon agreed on several issues related to trade and investment. Speaking at a brief news conference, Hartarto, coordinating minister for industries and trade, who closed the meeting, explained several points agreed upon by the ministers, including trade and investment, which will be implemented by the Asia-Pacific countries. Hartarto said this will pave the way for the APEC leaders meeting in Bogor. Hartarto's vague explanation made reporters curious. Finally, in the presence of Foreign Minister Ali Alatas and Wisber Luis, chairman of Senior Officials Meeting, Hartarto gave a more detailed explanation as reported by our colleague Esna Praisti.

[Praisti] The two-day ministerial meeting agreed on 13 topics of discussions, which will become a joint communique to be fully endorsed by all APEC members. This was disclosed by Hartarto in his capacity as chairman of the APEC Ministerial Meeting this evening. He said Indonesia's proposal to develop infrastructure projects through the participation of foreign and local businessmen received a positive response from all delegates, who even called for follow- up action. Hartarto said the Indonesian proposal is based on the different levels of capabilities among APEC members, especially in accelerating their own economic growth. Commenting on small and medium-size businesses, Hartarto said it is necessary to form a working group in charge of formulating concepts for the program.

Meanwhile, Foreign Minister Ali Alatas said the two-day meeting also discussed a work program adopted in Seattle last year. Thailand, the Philippines, Australia, and the United States have agreed to the work program, which will determine the next host for the APEC meeting.

[Unidentified correspondent] The Philippines is unhappy that Peru has not been accepted as a member of APEC working group. Speaking to RRI this afternoon, Philippine Foreign Minister Roberto Romulo said not a single APEC member agreed to allow Peru to join the working group despite the fact it has one of the largest fishing industries in the region. The last APEC meeting in Seattle said a non-APEC member is allowed to become a member of the APEC working group. [passage omitted on Chile to officially become APEC member on 15 November]

ASEAN Secretary General Ajit Singh, when asked to give his comments on the future cooperation between APEC and ASEAN, AFTA [ASEAN Free Trade Area], and EAEC [East Asia Economic Caucus], said APEC is useful and relevant to the Southeast Asian countries, especially in human resources development and the promotion of small and medium-size businesses. For this reason, ASEAN will work more closely with APEC. Ajit Singh said ASEAN is now searching for the form of cooperation, which will be disclosed later.

[Ajit Singh, in English] What we are talking about, what you are referring to is linkages between AFTA, NAFTA, CER [Closer Economic Relations]. I think the ASEAN economic ministers in Chiang Mai have already agreed that we should try to develop some form of cooperation and linkages between these trading arrangements.

[Unidentified correspondent] Our correspondent Faturahman interviewed (Terusugo Terada), spokesman of the Japanese delegation, who stressed Japan's wish to see an improvement in Sino-U.S. relations.

[Faturahman] The strained ties between the PRC and the United States, both of which are APEC members, should not become a problem because they are still holding serious talks to find a point of convergence.

Speaking to RRI, the Japanese spokesman said Japan is not in a position to comment on the issue and can only hope that relations between the two countries will improve. Commenting on trade liberalization, (Terada) said even though Japan still faces serious economic problems, it will open its market for the sake of international cooperation. He did not rule out possible protests by Japanese farmers when the trade liberalization is implemented. [end recording]

'Full Text' of Joint Statement

OW1211131794 Tokyo KYODO in English 1301 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—The following is the full text of a joint statement released Saturday [12 November] at the end of two-day APEC [Asia-Pacific Economic Cooperation] ministerial talks:

Asia-Pacific Economic Cooperation Ministerial Meeting

November 11-12, 1994

Jakarta, Indonesia

Joint Statement

1. Ministers from Australia, Brunei Darussalam, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Republic of the Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America participated in the sixth Asia-Pacific Economic Cooperation (APEC) ministerial meeting convened in Jakarta, Indonesia, November 11-12, 1994. Members of the APEC secretariat were also present. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC), and the South Pacific Forum (SPF) attended as observers.

2. The president of the Republic of Indonesia, His Excellency, Mr. Suharto, opened the meeting by extending the warmest welcome to all delegates attending the sixth APEC ministerial meeting. He stated that the world situation now provides opportunities to all nations to work together in developing a new world order that is more equitable, stable, secure, and peaceful, in order to enhance the prosperity and welfare of the peoples. In this regard, the Asia Pacific region has achieved remarkable progress due to appropriate economic policies.

3. In his remarks, he expressed the view that APEC cooperation should be further developed in the future. He stated that the Asia Pacific region should continue to promote and facilitate the flow of investment and trade, as well as strengthen consultation in the field of macro economic policies, enhance the quality of economic infrastructure, human resources development, quality and quantity of small and medium enterprises, and the acquisition and development of appropriate technology.

4. The meeting was chaired by H.E. [His Excellency] Mr. Hartarto, coordinating minister for industry and trade of the Republic of Indonesia. In his speech, Mr. Hartarto underlined that the sixth APEC ministerial meeting in Indonesia was geared toward the promotion of greater trade and investment. He further stated that the meeting was to support economic cooperation on development of human resources, improvement of small and medium enterprises, improvement of infrastructure, involvement of private/business sector, so that cooperation in APEC will eventually bring about prosperity to the people of the Asia Pacific region. U.S. Secretary of State Warren Christopher, speaking as chairman of the fifth APEC ministerial meeting, expressed his deep appreciation for Indonesia's chairmanship of APEC in 1994 and for hosting the sixth ministerial meeting. He congratulated President Suharto, Minister Alatas, Minister Hartarto, and their colleagues for their leadership in sustaining the momentum achieved in APEC and for giving APEC a vitality that reflects and reinforces the dynamic qualities of the Asia-Pacific region.

5. Ministers looked forward to the meeting of APEC economic leaders to be held in Bogor, Indonesia, on November 15, 1994. The meeting offered a unique opportunity for leaders to give substance to the vision enunciated at the Blake Island meeting in order to achieve the objective of sustainable growth and common prosperity of the region.

6. Ministers held discussions on a range of topics, including:

—Economic trends and issues

—Trade and investment issues

—The second report of the Eminent Persons Group

—The report of the Pacific Business Forum

—Human resources development

—Cooperation in improving public and commercial infrastructure

—Small and medium enterprises

—Implementation of leaders' vision and initiatives

—The APEC work program

—Organizational issues

—Other matters

Economic Trends and Issues

7. Ministers welcomed the report of the ad hoc group on economic trends and issues (ETI) and appreciated its useful work during the past four years. They reaffirmed the group's important role in promoting economic dialogue throughout the region and encouraging economic growth and increasing the economic well-being of all peoples. Ministers emphasized the necessity for the strengthening of APEC's capability in the analysis of

long-term macroeconomic trends and studies of microeconomic issues. Ministers agreed to transform the group into an economic committee and endorsed the terms of reference of the new committee.

8. Ministers thanked Chinese Taipei for its valuable work on the economic outlook prepared for the ministers' review. They agreed that in-depth analyses of the current situation of the three areas—trade, investment and technology transfer—provide a good basis to contribute to further APEC discussions on each of the three areas.

9. Ministers discussed the 1995 work plan for the economic committee which, from the outset, will be based on the following ongoing activities:

—Preparation of the 1995 APEC economic outlook

—Circulation of key economic information

—Analysis of the 3Es project—economic growth, energy and the environment

—Examination of the linkages between privatization and trade liberalization

—Analysis of industrial and technological linkages in the region

—Study of the effect of excessive exchange rate movement on trade and investment in the region

10. Ministers welcomed Japan's presentation on "Partners for Progress" on the promotion of further economic cooperation and development in the Asia Pacific region by reinforcing all the members' ability to effectively mobilize their human and other resources. Ministers recognised that cooperation to sustain the growth and development of the region for the common good of its peoples is one of the primary objectives in the APEC activities, and noted that the proposal will be further elaborated for consideration by senior officials.

Second Report of the Eminent Persons Group

11. Ministers expressed their deep appreciation to the Eminent Persons Group (EPG) for its second report and commended its successful fulfilment of its mandate to recommend proposals on how to realize a long term vision for APEC. Ministers welcomed that report of the EPG which sets out a number of fundamental and important principles for APEC in three important directions: trade and investment facilitation, trade liberalization, and technical cooperation. Ministers noted that the EPG report would serve as a valuable reference document for future deliberations including at the APEC economic leaders meeting in Bogor.

Report of the Pacific Business Forum

12. Ministers welcomed the report presented by the co-chairs of the Pacific Business Forum (PBF), and commended PBF members for their valuable input of business/private sector views. Ministers expressed their appreciation for the many concrete proposals put forward in the PBF report, and noted that these would serve as valuable reference points for future deliberations. Ministers further noted that the PBF report would be considered by APEC economic leaders at their Bogor meeting.

13. Ministers reaffirmed the critical role in the private sector in APEC. They endorsed the U.S. proposal to create an ongoing business/private sector advisory body as recommended by the PBF.

Trade and Investment Issues

14. Ministers welcomed the substantial progress achieved by the CTI [Committee on Trade and Investment] in the works related to trade and investment throughout the year. They reconfirmed trade and investment liberalization as a cornerstone of APEC's identity and activity. Ministers agreed to adopt the CTI annual report to ministers, and approved its recommendations for the work program for 1995.

15. Ministers endorsed the establishment of the two sub-committees under CTI, namely the Sub-Committee on Standards and Conformance and the Sub-Committee on Customs Procedures.

16. Ministers recognised the need to support trade and investment programs with appropriate technical assistance to maximise the effectiveness of APEC activities.

The Meeting of Ministers in Charge of Trade

17. Ministers welcomed the outcomes of the meeting of APEC ministers in charge of trade which was held in Jakarta on October 6, 1994. As mandated by the fifth ministerial meeting in Seattle last year, the main purpose of this meeting was to review the results of the Uruguay Round and its implications for the region and consider next steps for regional and global trade liberalization.

18. Ministers reaffirmed their determination to achieve full implementation of the results of the Uruguay Round and to demonstrate leadership by making maximum efforts in each of their economies to ensure the early ratification of the agreement establishing the World Trade Organization [WTO] so that it is operational as of January 1, 1995. In this regard, ministers expressed their strong support to non-GATT members of APEC to complete the negotiations as soon as possible to enable them to become original members of the WTO, ministers affirmed that these negotiations should be based on substantive and commercially meaningful commitments.

19. Ministers further welcomed other initiatives reached by the meeting, inter alia in developing a series of APEC seminars or workshop designed to exchange views on and explore scope for common regional approaches on the implementation of the results of the Uruguay Round: and in conducting programs that will be particularly valuable in helping to implement Uruguay Round results

in the area of among others, antidumping, services, intellectual property rights, customs and rules of origin. In this respect, ministers took note the recognition of the meeting to the importance of APEC's contribution to global trade, investment and economic growth and emphasized the importance of maintaining momentum of trade liberalization. Ministers appreciated the support of the meeting to the efforts in facilitating trade and investment liberalization in the Asia Pacific region.

Small and Medium Enterprises

20. Ministers commended SME [Small and Medium Enterprises] experts for their excellent work during 1994 and noted the importance of this area of cooperation. They also commended Chinese Taipei for its report of the APEC survey on small and medium enterprises. They welcomed the recommendations prepared by SME experts at their two meetings and encouraged senior officials to implement these recommendations.

21. Ministers also endorsed the SME minister's recommendation to upgrade the SME experts meeting into an ad hoc SME policy level group.

Human Resources Development

22. Ministers adopted the "Declaration on the Human Resources Development Framework." The declaration identifies the principles and elements of human resource development in APEC, while establishing a mechanism to plan and manage the implementation of these principles over time.

23. Ministers reaffirmed that human resources are the greatest single asset in achieving economic growth and development whose goal is the well being of their peoples. It is important that APEC be able to identify changes in the demand for skills in critical sectors which may cause bottlenecks to growth and development if not efficiency resolved. It is also important to develop, through general public education in public and private training, a labor force that has the fundamental attitude to permit a flexible response as requirements change.

24. Certain groups must be especially targeted for investment and human resources development on the basis of their capacity to enhance the development of others. These groups include entrepreneurs, managers and technical workers in both business/private and public sector, educators of primary, secondary, tertiary and vocational education, trainers in technologies needed for the next higher levels of economic development in member economies, and the future economic leaders of the region.

25. Minister affirmed the importance of both public and private sector training in small and medium enterprises, in industrial and infrastructural technology, and a sustainable development which can mitigate and prevent negative impacts on current growth on future prosperity.

26. Ministers welcomed the U.S. proposal for establishing a private sector funded APEC education foundation. Such a foundation could track all APEC human resources development/educational activities, and could provide back-up and serve as a resource to the human resources development working group, the associated partnership for education and education forum, and the APEC leaders education initiatives. The U.S. offered to develop a detailed concept paper on this proposal for the consideration of senior officials' and other relevant APEC bodies.

Cooperation in Improving Public and Commercial Infrastructure

27. Ministers noted the importance of the infrastructure issue for APEC and its bearing on future economic development. They commended Indonesia for raising important issues in its useful paper on cooperation in the improvement of commercial and public infrastructure. They took note with interest of the outcome of the world infrastructure forum held in Jakarta in October 1994, particularly in encouraging business sector involvement in infrastructure development.

28. Ministers endorsed the recommendations contained in the paper submitted by Indonesia which constitute a basis for further work in this area, especially in the area of bilateral projects with region-wide impact.

29. Recognizing the importance of an adequate, efficient and safe transportation system and the need for accelerated development of transportation infrastructure, as well as for better use of existing facilities, ministers welcomed a proposal by the United States to host a meeting of APEC ministers in charge of transportation in mid-1995. Ministers agreed to ask the working group on transportation to assist ministers in elaborating this proposal.

30. Information and communication will play a major role in economic growth and development in APEC economies. The development of international and domestic information infrastructure is a priority for all APEC economies. Ministers noted the interest of the working group on telecommunications in the development of an APEC information infrastructure. Ministers further noted the global information infrastructure concept introduced at the ITU [International Telecommunication Union] World Telecommunications Development Conference. Ministers encouraged the working group on telecommunications and other relevant APEC fora to study the GII [expansion unknown] concept in their future work.

The APEC Work Program

31. Recognizing the importance of the ten APEC working groups to the process of APEC, ministers stressed that activities undertaken by the ten working groups were an integral part of APEC's efforts to contribute to the region's development and prosperity in specific fields. Ministers noted that in 1994 the working groups had made greater efforts to realizing the objectives contained in the vision and policy issues statements

approved last year. Ministers approved the consolidated report of the APEC working groups.

Trade and Investment Data

32. Ministers welcomed a substantial progress made toward obtaining a near comparable merchandise trade database for APEC economies. Ministers also noted the steady efforts of the working group to make consistent the published data of service trade and foreign direct investment flows and directed the group to speed up those efforts.

Trade Promotion

33. Ministers noted with satisfaction that the working group has been active in engaging the business/private sector in their activities: the working group held successfully the 4th seminar/3rd training course on trade promotion and the first APEC trade fair with the full-scale participation of business people: the group assisted in the formation of the Asia-Pacific Business Network (APB-Net), and the group has been engaged in collecting information and data to be used by the business sector.

Industrial Science and Technology

34. Ministers noted the initiative of the group to focus more on the issue of science and technology, having the name changed to the "Working Group on Industrial Science and Technology." Ministers were also encouraged by a variety of work projects such as APEC technomart, to facilitate technology transfer and to promote information flows of industrial science and technology among members.

Human Resources Development

35. Ministers, noting the impressive number of projects completed by the working group in 1994, and 20 new activities—eight of them entirely self-funded-planned for 1995—expressed satisfaction that an increasing number of these projects directly addressed topics of their concern. They also expressed their confidence that the new planning mechanism for HRD [Human Resources Development] expressed in their ministerial declaration would provide additional impetus in the design and implementation of such project.

Energy Cooperation

36. Ministers noted that the energy working group has been active in implementing programs to encourage the more efficient delivery and consumption of energy, and to mitigate the environmental consequences of energy use. They welcomed the initiatives of the group in underpinning technical programs by policy discussion conductive to a freer flow of information, investment and trade, noting that the group has endorsed fourteen non-binding principles to guide its work.

Marine Resources Conservation

37. Ministers noted that the working group had initiated consultations with other international organizations involved in implementation of the oceans chapter of UNCED Agenda 21, with the objective of enhancing coordination of these activities in the Asia Pacific region. They also welcomed the effort of the working group on red tide, and integrated coastal zone management to monitor and control land-based sources of pollution.

Telecommunications

38. Ministers welcomed and endorsed the guidelines for regional harmonization of equipment certification and for trade in international value-added network services as developed and agreed by the working group following the ministerial recommendation on the subject in Seattle in November 1993. Ministers also appreciated the working group's emphases on an active human resources development program and its continuing work in the field of electronic data interchange.

Fisheries

39. Ministers noted the importance of fisheries to the region, in particular to many developing member economies and recognized the benefit of work that is being undertaken by the working group in the areas of cooperation in fish harvesting and post-harvest technologies, seafood trade, health and quality control for fisheries products, and aquaculture training and development.

Transportation

40. Ministers noted the importance of efficient transportation systems as an integral part of regional infrastructure in promoting growth and development. They welcomed the completion of the survey of regional transport systems and services as a stepping stone to further improvements in the transportation sector, and praised the working group's ongoing project addressing regional transportation congestion points. Ministers expressed their appreciation for the working group's report to ministers on the effects of deregulation on small and medium enterprises in the transportation sector.

Tourism

41. Ministers noted the statement submitted to them by the working group on tourism highlighting the significant role of the tourism sector in the development of the APEC region, and priority areas of future work. Ministers encouraged the working group to continue and develop further its activities in these areas.

Implementation of Leaders Vision and Initiatives APEC Leaders Economic Vision Statement, 1993: Progress on Themes

42. Ministers expressed appreciation for the presentation by Canada of the paper "APEC 1994 Work Program: Progress on Leaders Priorities and Issues." Ministers noted that the paper presented a useful survey of the breadth and scope of APEC's range of activities, relating them to the Seattle leaders' initiatives. Ministers

endorsed the release of this report as a contribution to public understanding of APEC activities.

Remarks on the Progress of the Implementation of the Leaders Initiatives on Blake Island

1. The Establishment of the Pacific Business Forum

43. Ministers welcomed the work that has been concluded by the PBF. (a complete ministers' comment on the PBF is stated at the item of "The Report of Pacific Business Forum.")

2. Finance Ministers' Meeting

44. Ministers noted that APEC finance ministers had met in Honolulu, Hawaii on 18-19 March 1994 and had agreed to further a dialogue in areas of mutual interest, such as recent economic developments, capital flows and financial markets issues, with a focus on private financing of infrastructure. They welcomed the decision of the APEC finance ministers to hold a second meeting in Indonesia on 15-16 April 1995.

3. APEC Education Program

45. Ministers welcomed progress towards the realization of the program through the participation of many APEC member economies, noting the importance of educational links in strengthening ties among member economies, especially the progress on APEC study centers in member economies.

46. Ministers welcomed the launching of the APEC Next Generations' Program [ANGP] which was held in Cheju Island, Korea on 11-16 September 1994, under the theme "Toward a Prosperous Pacific Age." The U.S. has offered to host the second ANGP workshops in Seattle in 1995.

4. APEC Business Volunteer Program

47. Ministers commended Thailand on organizing a seminar which had reached consensus on how to advance the goals of the program, notably through the establishment of focal points in member economies to identify needs for and expertise in each such economy, to network with other focal points, and to serve as a dissemination point for information on the program.

5. Non-Binding Investment Principles

48. Ministers endorsed the set of non-binding investment principles prepared in response to the initiative of APEC economic leaders at their informal meeting in Seattle. These principles represent an important aspect of work by APEC on investment. Ministers welcomed these principles and directed the CTI to continue work on investment issues, with the active involvement of the business community, to enhance investment among member economies.

6. Energy, Environment and Economic Growth

49. Ministers commended Japan for its report to the ministers on the 3Es. They discussed the increasing demand for energy and the growing significance of environmental issues in the region, and noted the importance of 3Es and the simultaneous achievement of the 3Es. Ministers noted the Japanese paper will prove helpful to the energy working group in defining its future efforts.

50. Ministers also examined the future issue, as pointed out in the report, of improving the regional structure of energy demand- supply, and discussed APEC's vital role in information exchange, fostering common understanding and policy discussion.

7. APEC Center for Technology Exchange and Training for Small and Medium Sized Enterprises

51. Ministers welcomed the progress in elaboration and realization of the project to make small and medium enterprises more globally competitive through the two-pronged strategy of technology exchange and training for such enterprises.

8. Small and Medium Enterprises Ministers Meeting

52. Ministers thanked Japan for hosting the Osaka Small and Medium Enterprises [SME] ministerial meeting and concurred with the SMEs ministers' joint statement that SMEs were increasingly important in terms of heightening economic complementarities and development in the region. They also agreed that market-oriented SMEs policy on human resources development, information access, technology and technology sharing, the availability of finance and marked access should be enhanced.

53. Ministers noted that a sound base had been established for APEC SME policy dialogue and noted the joint meeting between the business/private sector and the ministers in that it had obviously enhanced the practical value of the discussions in the SME ministerial meeting.

54. Ministers endorsed the SME ministers' recommendation to upgrade the SME experts meeting into an ad-hoc SME policy-level group, and also the terms of reference for this group, as well as the further recommendation that APEC commission an industrial outlook study. They welcomed the decision to hold a second SME ministerial meeting in Australia in 1995.

55. Ministers welcomed Japan's voluntary contribution to the fostering of APEC SMEs, such as the establishment of training and support programmes.

Organizational Issues

APEC Secretariat

56. Ministers noted with appreciation the work of Ambassador Rusli Noor and his staff at the Secretariat during the second year of the Secretariat's operation. Ministers stressed the importance of the Secretariat in

facilitating and coordinating APEC's work programs and in promoting information exchanges among member economies as well as among various committees and working groups.

57. Ministers took note that the initial arrangement of the APEC Secretariat is approaching its end. In this regard, ministers asked the SOM [senior official's meeting] to review the arrangement and the function of the secretariat to ensure that the Secretariat is meeting APEC's evolving needs, and submit recommendations for new arrangements to the next ministerial meeting. Ministers also endorsed the establishment of a task force for this purpose, the terms of reference of which are contained in the SOM report.

58. Ministers noted that the secretariat will have to meet its recurrent expenditure including salaries and allowances of locally-recruited staff, utility charges, and charges for the maintenance of buildings and office equipment, which are currently being borne by the Singapore Government, effective on 1 January 1996. Ministers agreed on the need for the current arrangements for staffing and funding the secretariat to be reviewed. Ministers endorsed senior officials' recommendations to form a task force to examine this matter and report to the next ministerial meeting.

Participation Issues

59. Ministers welcomed the membership of Chile in APEC beginning with this ministerial meeting.

60. Ministers discussed the issue of participation by non-member economies and organizations in APEC working groups. Ministers decided that the matter be referred back to the senior officials for them to work out criteria and principles to be submitted to the 1995 APEC ministerial meeting.

61. Ministers noted the progress made to formulate policies that can promote business activities in the region.

62. Ministers particularly noted the contributions of the Pacific Business Forum and the Eminent Persons Group and the increased participation of the business/private sector in APEC at all levels, notably in working group activities.

63. Ministers welcomed the establishment of the Asia Pacific Business Network (APB-Net). Ministers commended the work of APB-Net as a concrete implementation of business/private sector engagement in the APEC process and ministers also expected that this new forum could be a vital and effective channel for promoting business-to-business networking.

Budget Issues

64. Ministers welcomed the establishment of the Budget and Administrative Committee [BAC] and noted with satisfaction its successful operation during 1994. Ministers approved a 1995 budget of 2,227,732 U.S. dollars as drawn up by the committee and recommended by senior officials. Ministers also endorsed the contribution levels recommended by senior officials for 1995, but noted that the overall approach for assessing members' contributions would be reviewed next year by the BAC.

65. Ministers asked that the Budget and Administrative Committee should continue its useful work in examining and making recommendations to senior officials on budgetary issues and on how to improve operational and administrative efficiency.

Other Matters

ACDS

66. Ministers welcomed the report on the completion of the first stage of the APEC Communications and Database System (ACDS) project and noted that the ACDS promises to be the communications hub and information repository of APEC.

67. Ministers urged full use of ACDS to increase APEC's efficiency and greatly improve communications among the member economies, working groups and committees and the secretariat.

Environment Ministers Meeting

68. Ministers noted the Philippines presentation of the concept of debt-for-nature swap in relation to sustainable development.

69. Ministers welcomed the result of the meeting of the APEC ministers concerned with the environment which was held in Vancouver, Canada on 23-25 March 1994. Ministers also welcomed the suggestions for implementation developed by the environmental experts meeting in Hua Lien, Chinese Taipei, on 25-27 August 1994. They directed the SOM and the working groups to study these suggestions and directed the SOM and the working grouops to report to the seventh ministerial meeting on its progress in integrating environmental issues into ongoing APEC activities.

Preparation for the Seventh Ministerial Meeting

70. Ministers thanked Japan for the valuable briefing on the preparations of the seventh APEC ministerial meeting in Osaka, Japan, in 1995.

Venues for Future APEC Meetings

71. As decided at the fourth ministerial meeting in Bangkok, the seventh ministerial meeting will be held in Japan in 1995. The eighth and ninth ministerial meetings will be held in 1996 and 1997, hosted respectively by the Republic of the Philippines and Canada. Malaysia will host the tenth ministerial meeting in 1998.

72. Ministers and their delegations expressed their deep and wholehearted appreciation to the Republic of Indonesia for its warm and generous hospitality towards all the participants and the excellent facilities and arrangements made available for the meeting.

Malaysia Comments on U.S. 'Unrealistic' Stance

BK1111071094 Jakarta ANTARA in Indonesian 1712 GMT 10 Nov 94

[Italicized passages in English]

[FBIS Translated Text] Jakarta, 10 November (ANTARA)—Malaysian International Trade and Industry Minister Datuk Sri Rafidah Aziz has described the U.S. approach to achieving free trade in the Asia-Pacific region as unrealistic.

"Don't call it arrogant. It is more appropriately called unrealistic and unpragmatic," she told reporters upon her arrival at the VIP Room of Sukarno-Hatta Airport in Jakarta on Thursday evening.

In this connection, Malaysia hopes the United States will immediately ratify the GATT to ensure free multilateral trade.

In addition, Rafidah said that an APEC [Asia-Pacific Economic Cooperation] member should not be allowed to impose its will on another member.

During the fourth SOM [senior officials meeting] that took place in Jakarta through Thursday evening, the U.S. delegation refused to endorse a consensus on three of the 12 nonbinding investment principles.

The three principles are *"national treatment", "performance requirement"*, and *"repatriation and convertability"*.

According to some sources, the United States wants investment to be conducted more liberally, while developing nations want protection.

Moreover, the United States along with Canada and Australia are among those favoring a deadline for the implementation of free trade—2020 as proposed by the Eminent Persons Group being an example.

Rafidah Aziz said specifically that the deadline for trade liberalization should be set by individual APEC members because they will know best about their readiness in this regard.

"No one can set a certain deadline for a group of other countries. APEC members have different developmental stages and, accordingly, each of them knows best about the correct timing," she said.

Similarly, she said the APEC meetings in Jakarta will not succeed if some parties impose their will on others.

"On the other hand, I am confident that the meetings will succeed if we agree to let trade liberalization proceed in accordance with the capability of each member," she said.

She reiterated Malaysia's stance that Malaysia will not sign any statement if issues at the APEC meetings are settled solely through a majority vote instead of a consensus.

Reporters had waited for the only female minister to the APEC ministerial meeting because of Malaysia's critical stance on the development of APEC.

Malaysia disagrees with the trade liberalization concept because it will benefit only developed nations. This neighboring country is not fully supportive of APEC because APEC is likely to curtail ASEAN's role.

No less than 25 reporters, most from Malaysia and Indonesia, crowded around Rafidah Aziz when the "star of the conference" gave her statement.

Thai Foreign Minister Thaksin Chinnawat arrived almost at the same time as Rafidah Aziz. The Thai foreign minister expressed support for every effort to achieve trade liberalization in the Asia-Pacific region. He also supported the fixing of a deadline.

Both Yohei Kono, Japanese deputy prime minister and foreign minister, and Australian Foreign Minister Gareth Evans refused to give their comments to reporters.

Japan's Murayama Arrives in Jakarta for Summit

OW1211103994 Tokyo KYODO in English 1027 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japanese Prime Minister Tomiichi Murayama arrived in Jakarta on Saturday [12 November] evening to attend an informal meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) forum on Tuesday in Bogor, near the capital. Before the summit, Murayama will hold talks with Indonesian President Suharto on Sunday. He will meet with South Korean President Kim Yong-sam, Chinese President Jiang Zemin and U.S. President Bill Clinton on Monday to discuss bilateral issues and the situation on the Korean peninsula, following the nuclear pact between the United States and North Korea, officials said. Murayama is scheduled to return home Wednesday.

ROK President Kim Yong-sam Arrives in Jakarta

SK1211065694 Seoul YONHAP in English 0649 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 (YONHAP)—President Kim Yong-sam arrived in Jakarta Saturday afternoon, beginning his official five-day visit to Indonesia. During his stay through next Wednesday, President Kim will attend the Asia-Pacific Economic Cooperation (APEC) Summit and have separate talks with the leaders of other countries in the region.

On arrival here, the presidential couple drove to Merdeka Palace where they were greeted by President and Mrs. Suharto and given an official welcoming ceremony. The summit takes place at Bogor Palace on the outskirts of Jakarta Tuesday, with the top leaders of the 18-member APEC forum attending.

On Monday prior to the summit, President Kim will meet separately with the presidents or premiers of key APEC member countries to exchange opinions on the Korean situation and discuss ways to further promote bilateral relations.

The foreign leaders he is scheduled to meet include U.S. President Bill Clinton, Chinese President Jiang Zemin, Japanese Prime Minister Tomiichi Murayama and Canadian Prime Minister Jean Chretien.

Kim is also expected to meet with Indonesian President Suharto Sunday to discuss matters of mutual concern, among them resources development and trade.

President Kim and his party flew into the Indonesian capital aboard a special Korean Air (KAL) plane from the Philippines, where the president had just completed a state visit.

Prior to his departure from Manila, President and Mrs. Fidel Ramos called on President and Mrs. Kim at the Manila Hotel to bid them farewell.

Canadian Prime Minister's Arrival Reported

BK1311084494 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 13 Nov 94

[Report by Hartalena Sitompul]

[FBIS Translated Text] A special airplane carrying Canadian Prime Minister Jean Chretien, his delegation, and his wife landed at Halim Perdanakusuma Airport in Jakarta at 1330 West Indonesian Time [0630 GMT] today. The Canadian prime minister and his wife were greeted on the airplane's ramp by Public Works Minister Radinal Mokhtar and his wife and Jakarta Governor Suryadi Sudirja. Mrs. Chretien was later presented with a garland by the son and daughter of Jakarta [ceremonial positions].

International Trade Minister Roy MacLaren and Raymond Chan, minister of state for Asia-Pacific affairs, are among those in the Canadian delegation.

Besides attending the APEC [Asia-Pacific Economic Cooperation] summit in Bogor on 15 November, the Canadian prime minister will also hold a series of bilateral talks with several other APEC leaders in Jakarta. The Canadian prime minister is scheduled to meet Singapore Prime Minister Goh Chok Tong at 1600 West Indonesian Time and hold bilateral talks with Australian Prime Minister Paul Keating at 1800 West Indonesian Time. He will hold talks with President Suharto at the State Palace at 1020 West Indonesian Time tomorrow. In the evening, he will hold bilateral talks with Malaysian Prime Minister Mahathir Mohamed, ROK President Kim Yong-sam, and Chilean President Eduardo Frei.

Japan's Hashimoto Vows Efforts To Foster Business

OW1311051194 Tokyo KYODO in English 0437 GMT 13 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 13 KYODO—Japanese International Trade and Industry Minister Ryutaro Hashimoto on Sunday [13 November] pledged maximum efforts by Japan to foster small and medium-size companies in the Asia-Pacific area.

"Having technologically advanced small companies is indispensable for beefing up an industry of developing countries," Hashimoto said in a breakfast meeting with Indonesian economic-related ministers and the business community.

Hashimoto explained a human resources development program his ministry sponsors as a way to improve the quality of workers in developing countries in the Asia-Pacific Economic Cooperation (APEC) forum.

Specifically, Japan's Ministry of International Trade and Industry (MITI) will send technical experts to APEC countries and accept about 100 APEC workers in the coming two years for training in Osaka, the commercial hub of Japan where many small companies are flourishing, Hashimoto said.

Hashimoto attended the Japan-Indonesia business meeting during his visit to Jakarta for the sixth APEC ministerial meeting, which wound up its two-day session Saturday.

Japanese Foreign Minister Yohei Kono also attended the meeting, which was sponsored by the Federation of Economic Organzations (Keidanren), the Japan Club in Jakarta and Kadin, the Indonesian Chamber of Commerce.

Indonesian attendants included Tungki Ariwibowo, industry minister, Ginanjar Kartasasmita, minister for national development and planning, and Aburizal Bakri, the head of Kadin.

Foreign Minister Kono said he hopes a Japan-U.S. joint program from 1990 to improve Indonesian education systems and regional business activity will help support the country's industrial development.

Kartasasmita said the biggest hurdle facing the Indonesian industry is how to upgrade the country's overall infrastructure system.

Ariwibowo said Indonesia is stepping up government deregulation, thus paving the way for expanded businsess activity.

How to nurture small companies was one of major topics at the latest APEC ministerial meeting, which endorsed a set of programs in a declaration on human resources development.

These measures are designed to improve the quality of workers and thus foster the overall level of so-called "supporting industries" in the APEC area.

Mexico, Chile Support Investment Liberalization

PA1211003894 Mexico City UNOMASUNO in Spanish 11 Nov 94 p 18

[FBIS Translated Text] Jakarta, 10 Nov—The governments of Mexico and Chile today supported the liberalization of global trade on the eve of the official inauguration of the Asia-Pacific Economic Cooperation [APEC] forum that will conclude on 15 November.

Mexican Foreign Secretary Manuel Tello and Chilean Foreign Minister Jose Miguel Inzulza decided to support freer international investments and trade after the establishment of a deadline for the adoption of an investment code.

The APEC forum will be attended by representatives of Australia, Brunei, Canada, China, Taiwan, Hong Kong, United States, Thailand, Japan, Philippines, South Korea, Singapore, Indonesia, Malaysia, and New Zealand. The membership of Papua New Guinea, Chile, and Mexico will be made official during the sessions.

The Mexican delegation is participating in the summit for the first time and "came with the intention of reaching a consensus on the future of the Asia-Pacific zone and on the controversial issue of investments," Tello pointed out.

The Mexican foreign secretary added, "We came here with specific instructions to cooperate in every way possible to reach a consensus on these two very important issues." In the opinion of the secretary, "establishing a timetable for the development of the APEC zone is no problem. As for transforming it into a free trade zone, only time will tell."

During the preparatory meetings that began on 7 November and concluded today, the U.S. delegates suggested that APEC commit itself to a program of firm investment liberalization, but the Asian countries voiced their opposition.

Chile Hopes To Begin Talks on Joining NAFTA

PY1111235294 Madrid EFE in Spanish 1445 GMT 11 Nov 94

[Article by Josep Bosch]

[FBIS Translated Text] Jakarta, 11 Nov (EFE)—Chilean Economy Minister Alvaro Garcia said today, 11 November, that Chile hopes to soon begin negotiations to join the North American Free Trade Association (NAFTA).

In an interview with EFE, the Chilean minister said: "If everything goes well, and these are the indications we have received from all members of NAFTA, Chile will soon become a member of the group."

Garcia added that no specific timetable nor the manner in which the negotiations will be conducted has yet been established, but added that he expects these negotiations to begin when the NAFTA members begin implementing the Uruguay Round of GATT agreements.

The minister said that Chile has already held preliminary talks with all NAFTA members and "all have expressed a positive attitude toward Chile's membership in NAFTA."

Moreover, when asked about this matter Mexican Commerce Minister Jaime Serra Puche said: "Our position has always been that Chile should be part of NAFTA." Serra Puche added that the process to be followed as of now is that Mexico, the United States, and Canada must first reach an agreement on the conditions for joining NAFTA.

"Once this happens, the Chilean case will be studied, because it is the first that has been proposed, and other opportunities will emerge later," he said.

The Mexican minister added: "Chile's inclusion into NAFTA is the ideal way to make this free trade agreement grow in North America so as to become a hemispheric instrument to promote free trade in America."

The two ministers are in Jakarta as members of their respective delegations attending the meetings in preparation for the summit of APEC [Asia-Pacific Economic Cooperation] members which are discussing the adoption of measures to liberalize trade in the Pacific basin.

Concerning the difficulties that such negotiations could entail, the Chilean economy minister said: "If we negotiate an agreement with NAFTA members as a whole, it will just be a matter of negotiating for the inclusion of a new member." "For this reason, we expect it to be a negotiation much simpler than that which created NAFTA," he said.

He added that Chile must decide whether it will take the bilateral path, on which it has been traveling thus far, or will negotiate with NAFTA as a group.

Alvaro Garcia recalled that Chile already has a free trade agreement with Mexico and was about to negotiate another with the United States when the U.S. Congress withdrew the "fast track" treatment adopted by President Bill Clinton for his trade policy with NAFTA.

When asked which is more important for Chile, NAFTA or APEC, the minister said that both are important for his country's economic liberalization.

Garcia stressed Chile's close relations with Asia—the region of the world with the fastest trade growth. Chile sends one-third of its exports to Asia and receives investments and technology from Asia.

He said that if APEC does not adopt a more accelerated trade liberalization process it will fall behind NAFTA in this effort.

'At Least' 14 Countries Seek APEC Membership

BK1111030794 Bangkok THE NATION in English 11 Nov 94 pp A1, A7

[FBIS Transcribed Text] Jakarta—At least 14 countries and international organizations, including Vietnam and Colombia, have requested observer status or membership of the Asia-Pacific Economic Cooperation (Apec) forum, officials said yesterday.

"Obviously Apec has now become a very popular organization," a Canadian official said.

However, senior officials have yet to agree on criteria that would make it possible for countries to participate in the consultative forum as observers, a position normally reserved for international organizations.

Among those requesting observer status are Vietnam, Colombia, the Asia-Pacific Business Network (APB-NET) and the Pacific Business Economic Cooperation (PBEC) group.

The Apec summit in Seattle, USA, last year agreed on a three-year moratorium during which no new members would be admitted.

Chile will become the 18th member of Apec this year, its membership made possible by extensive lobbying by Malaysia last year.

The Canadian official said participation in Apec can take different forms—full membership, observer status and specific work programme participation. Peru, for instance, has asked to participate in Apec's work programme on fisheries.

Vietnam has made it known that Apec membership is its eventual goal, but joining the Association of Southeast Asian Nations (Asean) appears to be its priority. In the middle of next year Vietnam will be formally admitted into the Asean club as the seventh member during an annual meeting of the association's foreign ministers.

However, the socialist country will find participating in international organizations like Apec or Asean a tough task since it will need officials with knowledge of international affairs and economics, as well as proficiency in English, in order to attend the hundreds of working sessions and meetings held annually.

Senior Apec officials have appointed an informal group to study appropriate methods by which Apec membership will be considered. This group should come up with a preliminary proposal in time for the Apec meeting next year.

Japan

Reports on Issues Related to Jakarta APEC Meeting

Murayama Meets Clinton

OW1411104294 Tokyo KYODO in English 1023 GMT 14 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton agreed Monday [14 November] to lend support to Indonesian President Suharto's proposal for freeing trade and investment in the Asia-Pacific region by 2020, government officials said.

"Japan will basically support Suharto's initiative," Murayama said. "Washington backs the proposal," Clinton also said, according to the officials.

Murayama and Clinton met in Jakarta before attending the second informal meeting of leaders from the Asia-Pacific Economic Cooperation (APEC) forum in Bogor on Tuesday.

They will clarify their support for the Suharto proposal at the Bogor gathering, which is expected to focus on how to craft a vision for transforming the booming Asia-Pacific market, responsible for nearly half of global production, into a free trade zone.

During the 75-minute meeting at the U.S. ambassador's official residence, the leaders of the two biggest countries in the Pacific-rim area, meeting each other for the first time since July in Naples, took up a wide range of bilateral and international topics, from Japan-U.S. trade "framework" talks to how to implement a U.S.- led fresh nuclear power project in North Korea.

Unlike previous Japan-U.S. summits, which often became a place for exchanging harsh words, Monday's meeting was held in what Japanese officials describe the most friendly and comfortable atmosphere, apparently reflecting the lack of crucial bilateral issues following a partial framework deal in October.

As a way to relax tension on the Korean peninsula, Murayama urged the Group of Seven (G-7) industrial countries to play a key role in seeing through early execution of measures stipulated under the latest nuclear pact between Washington and Pyongyang.

On the trade front, Murayama and Clinton agreed to call increased attention to global areas in a shift from more fractious sectorial trade issues, proposing the creation of a high-level panel intended to address issues covered under the framework's "common agenda" category, such as population and environments.

Murayama invited Clinton to make a state visit to Japan next year. Clinton said he will accept "with pleasure," according to the officials.

Meanwhile, Clinton proposed holding a Japan-U.S. summit at least twice a year on a regular basis, citing such an agreement reached with then Japanese Prime Minister Kiichi Miyazawa in Tokyo in July 1992.

Murayama was quoted as hailing the nuclear pact, signed in Geneva in October, as reflecting U.S. leadership but warned against excessive optimisim, saying, "the pact is just an entrance."

Cooperation is needed not only among concerned parties but from the G-7 countries, too, in order to assure a smooth start to the process of creating an international consortium, Murayama was quoted as saying.

The consortium has been charged with the core task under the pact of introducing new types of nuclear reactors in North Korea.

Clinton thanked Japan for its support of the nuclear accord and cooperative efforts that led to signing of the agrrement.

More work remain to be done among Japan, the U.S. and South Korea, Clinton added, noting the need for maintaining "close cooperation" by the three countries.

The officials quoted Clinton as saying Washington will back Japan's efforts toward restarting the suspended normalization talks with Pyongyang. Clinton also called for Japan and the U.S. to enhance efforts to promote dialogue between the two Koreas.

The high-level panel proposed by Murayama will cover such global issues as population, the environment, drug abuse, child health and forestry protection, the officials said.

Murayama proposed Japan and the U.S. prepare a report to address these issues before he meets Clinton next time, according to the officials.

The "common agenda" is one of the three framework categories along with sectoral trade issues and macroeconomic issues.

"Let's throw more light on more global issues," Clinton was quoted as saying in an apparent shift of Washington's trade policy toward Japan from the more confrontational side of the bilateral trade ties that have captured news headlines in the past year.

Clinton clarified to Murayama that U.S. foreign policy toward Japan will not be affected by the huge setback for Clinton's Democratic Party in the latest midterm elections.

Clinton said he understands his party's defeat reflects American people's wish that Congress should be controlled by a party that does not have the president.

Despite a slight softening in trade stance, Clinton reminded Murayama of Washington's latest request made to Japan on deregulation.

"I hope American expectations will be reflected in a five-year deregulatory package Japan will work out next March," Clinton was quoted as saying.

The President was referring to the recently presented U.S. request paper that listed sector-by-sector deregulatory items Washington wants included in the Japanese package.

Clinton was also quoted as seeking early settlement of glass and financial services trade with Japan, and an early resumption of auto trade talks, which hit a snag despite the marathon talks in late September.

"Autos are a very important sector for Americans," he was quoted as saying.

Murayama said Japan and the U.S. should maximize their mutual efforts to resolve pending framework issues.

Clinton expressed confidence that Congress will ratify bills for Uruguay Round accords by the end of this month. Utmost efforts for the passage of such bills within this year were voiced by Murayama.

Kono-Christopher Talks

OW1211030894 Tokyo KYODO in English 0257 GMT 12 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—U.S. foreign policy remains unchanged despite a huge setback for President Bill Clinton's Democratic party in the midterm elections, U.S. Secretary of State Warren Christopher said Saturday [12 November].

The United States will pursue its foreign policy continuity, Christopher said in a meeting with Japanese Foreign Minister Yohei Kono, Japanese Government officials said.

During the hourlong meeting in Jakarta, Kono and Christopher agreed to confirm the importance for Japan and the U.S. to step up the pursuit of "common agenda," the officials said.

Kono and Christopher also agreed to cooperate for the smooth execution of North Korea's nuclear project in line with the latest nuclear pact between Washington and Pyongyang.

The October nuclear accord calls for the U.S. to play a key role in creating an international consortium to help North Korea replace its graphite-moderated reactors with light-water reactors.

Christopher and Kono are in the Indonesian capital to attend a two-day ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum until Saturday.

Kantor, Kono on Deregulation

OW1211145894 Tokyo KYODO in English 1450 GMT 12 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—U.S. Trade Representative Mickey Kantor on Saturday [12 November] asked Japan to step up deregulation in line with the latest U.S. request, Japanese Government officials said.

Meeting with Japanese Foreign Minister Yohei Kono, Kantor called on Tokyo to "positively" study the U.S. "suggestions" designed to relax a wide range of rules and regulations in Japan, the officials said.

Kantor was quoted as saying that the United States has recently offered to Japan a request paper seeking Japan's deregulation.

The paper reportedly contains sector-by-sector deregulation items that Washington wants included in Japan's five-year deregulation package to be released next spring.

Kono replied Japan is willing to ease regulations which it thinks should be eased, the officials said.

Tokyo will make a judgment on the U.S. request after studying demand in the private sector and the situation in foreign countries, Kono was quoted as saying.

During the 40-minute meeting, Kono indirectly urged Washington to drop what he views as retaliatory trade approaches, the officials said.

"In trade negotiations, we should ensure so that each party has an equal footing," Kono was quoted as saying.

"It is not a good idea for one party to come under psychological pressure from the other side," Kono said.

Kono was apparently referring to the latest U.S. decision to launch investigation into Japan's auto parts trade under Section 301 of the 1974 U.S. Trade Law.

Kono and Kantor are in the Indonesian capital to attend the sixth ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum, which ended a two-day session earlier in the day.

Kono said he is aware that Japan is in a responsible position toward the next year's APEC meeting in Osaka which it will host as a chair country.

"We should work hard to give a concrete shape to a trade liberalization vision adopted by the latest APEC meeting," Kono was quoted as saying.

Hashimoto Meets Brown

OW1311130394 Tokyo KYODO in English 1215 GMT 13 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 13 KYODO—Japan proposed Sunday [13 November] launching consultations with the U.S. business community as a way to improve American access to Japan's paper-pulp market, Japanese officials said.

International Trade and Industry Minister Ryutaro Hashimoto put forward the proposal during a meeting with U.S. Commerce Secretary Ron Brown in Jakarta. Hashimoto made the proposal as part of bilateral trade "framework" talks.

Brown accepted Hashimoto's proposal as "constructive," the officials said.

Under the proposal, the Ministry of International Trade and Industry (MITI) will shortly hear opinions, views and complaints from the American Chamber of Commerce in Japan over the problems of American paper manufacturers in Japan, the officials said.

The mechanism is intended to remove barriers to U.S. access to Japan's paper-pulp industry by clarifying difficulties U.S. paper manufacturers are facing in Japan, they said.

In early October, Washington listed Japan's paper-pulp sector on the "watch list" for possible trade sanctions under a retaliatory clause widely known as "Super 301."

Inclusion on the watch list is milder than being named a priority country under the trade provision.

But Tokyo has filed a protest against the action, saying Japan's paper product imports have been increasing despite the slump in the domestic industry in the last few years.

The officials said Japan is not opposed to a flow of competitive products into Japan.

Hashimoto told Brown that Japan has no intention to have paper trade talks with the United States in line with Super 301, the officials said.

In 1992, Tokyo and Washington agreed to cooperate in efforts to expand foreign sales in Japan of paper products such as printing paper and corrugated cardboard cartons.

The pact includes Japan's pledge to effectively enforce the antimonopoly law when it detects antitrust actions and practices.

Hashimoto and Brown also confirmed the latest accord between Tokyo and Washington to resume the suspended autos and auto parts trade talks at an early time, the officials said.

Hashimoto and U.S. Trade Representative Mickey Kantor reached the accord in a meeting in Jakarta last Thursday.

The U.S. has begun a probe into the Japanese market on the basis of Section 301 of a 1974 Trade Act, following the rupture of talks in early October.

Hashimoto told Brown that Japan is not ready to resume auto talks if four conditions set by Tokyo are not met by Washington, the officials said.

Brown did not raise objection to Tokyo's call for limiting auto talks to areas "within government reach," one of the conditions, the officials said.

Hashimoto and Brown are in Jakarta to attend the sixth ministerial meeting of the Asia-Pacific Economic Cooperation forum that concluded Saturday.

APEC, Talks With U.S. Analyzed

OW1011134394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 7

[Article by Shigeru Komago in Washington: "Japan Should Take Leadership in APEC—Framework Talks Must Be Changed Through Deregulation"]

[FBIS Translated Text] The notorious U.S.-Japan economic framework talks have begun again. However, the U.S. Government, aware of Asian countries' unhappiness with Japan, had revised its policy line by making deregulation the center of its demands. If the Japanese Government also attaches importance to Asia, this is a good chance to pledge at the Asia Pacific Economic Cooperation Summit (APEC) that it will lead [in implementing] deregulation and change its habitual posture of simply waiting for U.S. demands.

"Recently, we have been increasingly hearing expressions of unhappiness from Asian countries, such as South Korea and China, toward Japan," says a high-ranking White House official. He adds that this has been the trend since 1 November, when the United States and Japan came to an agreement on insurance and government procurement (purchase of telecommunications and medical equipment) as part of the framework talks. "Until then, they had taken the Japanese side, saying that the [U.S.] demand for numerical targets was unacceptable. That is why it is hard to deal with Asia," says this high-ranking official with a grim smile.

Japanese "Arrogance" Despite Claim of Attaching Importance to Asia

When I contacted major Asian country's embassies in the United States, they poured out some unhappiness, although partly guarded toward the Japanese press.

"Japanese Government officials have become somewhat arrogant lately. They even utter comments such as we should be thankful that they crushed the U.S. demand for numerical targets and prevented that demand from affecting other Asian countries."

"Japanese bureaucrats claim they are the 'anti-Clinton government,' but their attention is focused only on U.S.

demands. From us, they demand market opening just like the United States does. They never seem to have considered opening their markets to Asia; this even though Japan records huge trade surplus figures with Asia."

Because all these views were voiced by diplomats stationed in the United States, they are inclined to lean toward the United States. However, it seems certain that they strongly believe that "Japan is still placing [disproportionately] greater weight on the United States, contrary to its word that it attaches great importance to Asia." According to this high ranking official, some took advantage of such excessive Japanese attachment to the United States. "There are even some countries who approached us with specific examples of things it wanted us to add to our list of demands to Japan."

The U.S. Government actively absorbed not only opinions from the European Union (EU), which had already submitted a list of demands to Japan, but also this kind of Asian opinion when it formulated its deregulation demand directed at Japan. Moreover, not only in the bilateral negotiations, but also at the preparatory conference for the nonofficial summit of the Asia Pacific Economic Cooperation (APEC) forum, which will begin in Bogor, Indonesia, on 15 November, the Americans no longer pressed impossible demands on Asia as they had last year.

Defying Japan which, while claiming to give great importance to Asia, has not taken any notable action, "Asia has come a little closer to the United States and the United States to Asia" (Bergsten, chairman, the APEC Eminent Person's Group). In view of the actual relationships, I would say that, rather than the U.S. Government making a move to besiege Japan, Japan has let it happen.

Negotiation Posture Characterized by Indecision, Force of Habit

In fact, the Japanese Government's response since the 1 November U.S.-Japan agreement is incomprehensible. It has not yet fully made public the details of the portion of the agreement dealing with government procurement, which the cabinet ministers concluded, even by working through the night. And although it criticized the U.S. Government, which applied U.S. Trade Sanction Article 301 (retaliation against a trading partner's unfair practices) in connection with automobile parts, it has failed to take action to bring the case to GATT.

It is risking rapid development of a high yen/low dollar ratio by having a tug of war in a not so critical area of the U.S.-Japan relationship. Yet it does not take a decisive posture in the negotiations, which has long been criticized in Japan. At the same time, it has reopened talks on deregulation, monetary/service, and so on in an atmosphere where even the people in charge are fed up.

In addition, as for deregulation, government offices are at odds with private sector entities, such as the Federation of Economic Organizations [Keidanren], concerning study methods for the "deregulation promotion five-year plan," compilation of which is targeted for the end of the year. At the same time, they are waiting for the list of U.S. Government demands. Here, we detect no evidence of regret/self-reflection about the unproductive negotiations that lasted roughly 15 months, nor any plan on how to change the ill-reputed framework talks. No one could have any expectation for such a force-of-habit negotiating posture.

On the other hand, the Clinton administration, criticized from inside and outside the country, also listened to U.S. industry and conducted a debate to review its negotiations with Japan. The National Economic Council (NEC) was the principal discussion member. The result has been a policy plan that shifts the negotiations' emphasis to competition policy matters, such as deregulation, strengthened application of antimonopoly laws, and so on.

According to a high ranking U.S. Government official, some have argued that the United States should "terminate negotiations with Japan." However, the argument won out that if the United States pressed for deregulation, the Japanese Government, adhering to its "philosophy" that "the subject of the framework talks must be limited to areas where government authority can reach," will lose its safe haven. And the U.S. Government can gain the support of not only Asia and the EU, but also the "Japanese consumer and private sector" (U.S. Trade Representative Mickey Kantor).

Turning Point in Discussion Must Be Found on a "Multinational" Basis

In previous negotiations, the U.S. Government became isolated due to effective Japanese criticism of numerical targets. In contrast, in the deregulation discussion where the U.S. Government, also embracing Asian points of view, can proceed with confidence, it is also conceivable that the Japanese Government will be isolated.

Frankly speaking, the only way to quickly change such a trend is to change the Japanese image, which has long been "passive."

A good place is APEC. If the Japanese Government seriously believes in placing great importance on Asia and wants Asia to "understand and appreciate Japan," Prime Minister Murayama should publicly pledge [Japan's enforcement of] deregulation at the informal APEC summit.

Furthermore, another idea is that, along with the consistent Japanese policy that "trade issues should be discussed in a multinational arena," Japan should lead and propose "deregulation talks" in the APEC sphere—this in preparation for the APEC conference that will be held in Japan next year.

Of course, President Clinton should be informed of such a plan at the U.S.-Japan summit scheduled just prior [to the APEC meeting in] Bogor. With this as a premise, the Japanese Government should have President Clinton agree that "the subject of the framework talks is within the sphere of government authority." Ways will be found to change the framework talks from "negative to positive" negotiations by, for example, completely eliminating the issue that Japanese makers purchase an additional amount of foreign manufactured parts and so on.

Unfortunately, such proposals are not realistic in view of the Japanese bureaucratic resistance against deregulation and the Murayama government's posture that is more cautious on deregulation when compared to the previous Hosokawa and Hata governments. In fact, Japanese Government officials in charge display an inclination to avoid serious discussion, saying that "in the U.S.-Japanese summit at Bogor, the framework talks will not be a focus."

But then, they will spend time debating deregulation measures by which not only the United States but also Asia and Europe will be disgusted. And by the end of the fiscal year, which they themselves have set as a deadline, a crisis of a break down in the framework talks is waiting. I can picture a result where in the end, at next year's APEC meeting that Japan is to chair, Japan will not be able to gain the other members' cooperation in settling on concrete measures for the liberalization of trade and investment. This will reveal how much Japan lacks leadership.

We must not forget that the current deregulation discussion is so important that it could influence the United States and Asia to split with Japan.

Important Asian Role Noted

OW1311170594 Tokyo YOMIURI SHIMBUN in Japanese 8 Nov 94 Morning Edition p 19

[Article by Tsutomu Okamoto of the Economic Desk]

[FBIS Translated Text] The Asia-Pacific Economic Cooperation (APEC) Forum will open in Indonesia on 11 November. Japan's approach to Asia will be brought into question.

APEC, which started in 1989, has been a relatively low profile international conference. However, at the Seattle meeting last year, after leaders of the member states held their first (unofficial) summit meeting, this has suddenly become a top grade international gathering.

Japan's approach to Asia will be brought into question at APEC. However, unfortunately for Japan, APEC has become a major forum before Japan could become psychologically prepared, or could discuss its Asia strategy.

Some Asian countries are already questioning Japan's position. A typical case is Malaysian Prime Minister Mahathir's proposal to create the East Asian Economic Caucus (EAEC) and his request for Japan to join this group. The EAEC is a scheme which excludes the United States and regards Japan as the leader of Asia.

Despite the honor of being asked to become Asia's leader, the Japanese Government's response is unenthusiastic. Its honest feeling is that, "We have been made to face a bothersome proposal." Behind this reaction is the United States' fierce opposition to the EAEC. Japan does not have the courage to go against the will of the United States. On the other hand, if Japan clearly says "no," this would betray Japan's stance of not paying attention to Asia. Therefore, the official answer being given is: "We are studying this matter carefully."

However, Prime Minister Mahathir is a politician and a head of state. Japanese politicians, rather than bureaucrats, should be the ones to give an honest answer to this question. Since APEC has grown to its present size, Japan cannot keep on repeating the bureaucrats' reply that "we are studying the question."

Is Japan qualified to become Asia's representative? It is true that Japan is the unrivalled economic power in Asia. Yet, if you ask what is the preferred currency for accounts settlement in Asia, yen or dollar, the answer is dollar. In the past, there were people who advocated the internationalization of the yen. Yet, a yen-centered economic zone has not been formed even in Japan's own backyard, Asia.

The major factor contributing to dollar becoming the primary currency was the U.S. decision to open up its market to imports from the world, thus facilitating the circulation of the dollar globally. Liberalization of trade and investment is expected to be the main topic in the upcoming APEC meeting. If Japan intends to be Asia's representative, it has to open up its market and share the pie with Asia. While Japan professes to support liberalization of trade and investment in the APEC conference, it is prepared to go to this extent?

Another major issue will be China's presence. After the Tiananmen incident, the United States criticized China, and in consideration of U.S. sentiments, Japan became prudent in its inroads into China. However, the same United States is now most enthusiastic in entering the Chinese market. In terms of inroads in the automobile industry, Japan actually lags behind the United States. Despite Japan's obedience to the United States, the latter has not given Japan any special consideration in this race in the name of "friendship."

While Japan receives much attention from the world, it is not respected in the world. At best, Japan's position is that of isolation. For instance, when Japan appealed for opposing the liberalization of the rice market at the Uruguay Round (multilateral trade negotiations), the more it spoke out for this cause, the more it aggravated its isolation. This was because nobody understood Japan's situation.

If Japan has the backing of Asia, what it says will carry more weight, and the other countries will show more understanding. Therefore, Japan needs a two-pronged strategy of giving importance both to the United States and Asia.

A Japanese classical musician once said, "Europe is the home of my heart." Yet, it is a undisputable fact that Japan is an Asian country. APEC is a venue for Japan to come to terms with the fact that it is part of Asia. I believe that is the only way for Japan to earn Asia's respect.

Tokyo Should Play Greater Role

OW1411092494 Tokyo YOMIURI SHIMBUN in Japanese 9 Nov 94 Morning Edition p 3

[FBIS Translated Text] Eighteen countries, including Japan, the United States, and China, will meet at a ministerial meeting and an unofficial summit conference of the APEC forum to he held in Indonesia from 11-15 September.

The most important subject at these meetings will be the liberalization of trade and investment in the Asia-Pacific region. Indonesia, the host nation of the forum, will propose that liberalization be achieved by 2020 and that this goal be included in a declaration to be issued at the close of the conference by a consensus of all APEC members. Japan intends to support the proposal.

Inaugurated in the fall of 1989 to promote cooperation and economic development in the Asia-Pacific region, APEC will mark its sixth anniversary this year.

APEC, which originally comprised 12 nations and areas, has developed into a major regional group and has come to include Mexico and other Latin American countries. Its member nations now account for 50 percent of the world GNP and 40 percent of global population and trade. It is now a leading economic bloc, with East Asian nations at the forefront, comprising as they do the growth center of the global economy.

Now that the World Trade Organization (WTO) is expected to be launched in January to promote global economic development by enhancing a free and multilateral trade system, the APEC nations should clarify the steps they plan to take toward free trade and investment. This will not only help ensure economic development in this region, but will also boost the global economy as well.

Nonetheless, the APEC members should remain aware of one important issue: their wide diversity—economic, political, religious, social, ethnic, and otherwise. For example, the member nations range in per capita GNP from Japan's $24,000 to China's $400. This gap between the affluent and the less affluent nations is compounded by environmental, energy, and other issues facing individual APEC members.

Some member nations remain opposed to the proposal to achieve free trade and investment by 2020 because they are concerned that the goal could be pursued without taking heed of the differences among them. By remaining ever aware of the diversity and economic gaps, the APEC nations may ensure a smooth transition from "a loosely structured forum" to "an institutionalized free trade bloc."

At the unofficial summit talks, Prime Minister Tomiichi Murayama will call for "a partnership for progress," a proposal aimed at promoting diversified and comprehensive cooperation in the region. His plan is designed to complement Indonesia's proposal, which the government believes will be endorsed by the other members.

Japan's proposal is part of an effort to simultaneously promote cooperation in economic growth in various ways between industrial and developing nations, thus eliminating the gaps and encouraging free trade and investment in the region. It is appropriate that Japan should present such a proposal because it is an Asian nation which is well aware of the challenges facing its neighbors.

Japan will host the APEC conference in Osaka next year. The proposal for free trade and investment, if adopted at the meeting in Indonesia, will be taken up next year, with the formulation of specific measures to implement the plan. In addition, Japan must assume responsibility for taking steps to implement the "partnership for progress" proposal.

These tasks should be coupled with efforts to further open the Japanese market to help slash the massive trade surpluses the nation has with most East Asian nations and the United States. The government must also boost technology transfers when developing nations insist Japan is not doing enough in this regard.

In an address to an international symposium held by the YOMIURI SHIMBUN and other organizations in Tokyo on 8 November, former Thai Prime Minister Anan Panyarachun said: "Asian nations were looking forward to the day when Japan will play a role commensurate with its power and position."

Now is the time for Japan to play its "proper role" in the region.

Tokyo's Roles Analyzed

OW1211003894 Tokyo ASAHI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 5

[Editorial: "Is It Enough For Japan To Play Simply a Mediating Role?"]

[FBIS Translated Text] East Asian nations, which have shown a fast rate of growth, are like boys at puberty. Though they have a good physical build, their bone structure is not firm. In fact, they show some fragility.

Ministerial talks at the Asia-Pacific Economic Cooperation (APEC) forum, which consists of 18 nations and regions on the Pacific-Rim, and informal summit talks among the regional organization's leaders are scheduled to be held in Indonesia from 12-15 November. High on the agenda of both the APEC ministerial talks and the informal summit talks will be the issue of whether the East Asian nations, the "pubescent" boys, should be left free to grow into adulthood or whether their parents should bring up them to be adults.

It can be said that the United States, eager to hasten the liberalization of trade and investment in the Pacific-Rim, favors the idea of leaving the East Asian nations free to grow up on their own. Many East Asian nations, however, prefer economic assistance from industrialized nations over the liberalization. Japan, meanwhile, has advocated the need for "both liberalization and economic assistance" while it assesses the reactions of the East Asian nations and the United States. In fact, it has yet to shape a firm view.

Japan should play the role of mediator between the East Asian nations and the United States, which has tended to take a confrontational attitude toward them. It also should assume the responsibility for developing the APEC on a stable basis. Japan should play that role and take that responsibility because it is a "key shadow-player" which has helped generate the fast growth driven by the export-oriented economic policies of the East Asian nations. This, in turn, has triggered trade friction between the United States and the East Asian nations. In search of a cheap work force, Japanese enterprises, beset by the drastic appreciation of the yen, have since the late 1980's relocated their plants first to the newly industrializing economies (NIES) and then to the ASEAN countries. They have relocated their production bases for commercial electrical goods bound for the United States from Japan to these Asian nations.

As a result, the ASEAN countries have enjoyed high growth while Japan has reaped profits by exporting machinery and parts manufactured in those Asian nations to the United States. The party in trouble is the United States, which has imported the machinery and parts. The U.S. trade deficit both with Japan and the East Asian nations has ballooned, thereby retarding U.S. growth.

It is, therefore, understandable that the Clinton administration is determined to use the APEC as a forum to press for the liberalization of trade and investment and to take up an export offensive.

The only way to ease tensions within the APEC is for Japan to increase imports and reduce its export dependence on the U.S. market. Japan has been increasing its imports of commercial electrical goods and textiles manufactured by Japanese enterprises in the NIES and the ASEAN, and this is a desirable development. A system is necessary to boldly replace domestically-manufactured steel and petrochemical products with imports.

While the government should boldly relax the bureaucratic regulations to boost Japan's imports of construction materials, the industrial sector should build a system for the international division of work by revamping its long-standing business practices, including keiretsu [the interlocking business grouping]. If the presence of Japan as a market in East Asia becomes important, it would make it possible for Japan to reserve more foreign currency, thereby creating a room for it to boost imports from the United States.

The role Japan should play in the APEC is not to accelerate growth in the East Asian nations, but to ease strains caused by the growth and to help the East Asian nations achieve a long-term growth.

The urban environment in the ASEAN and China has continued to become aggravated with traffic jams and air pollution. If the demand for energy continues to grow drastically, it will tighten the supply of energy and become a cause of growth being held back. In the ASEAN and China, the shortage of skilled technicians is serious and there are no small and medium scale manufacturers of machinery and parts to shore up the processing and assembling industries. This stands in the way of efforts by the East Asian nations to achieve self-supporting economies.

What is indispensable for continued growth in East Asia is the building of new urban infrastructures, together with the speedy introduction of measures to help the environment and mechanize. It is important to train technicians. We hope Japan will take the initiative in promoting economic cooperation with East Asian nations in these fields.

The most important thing Japan should do is transform itself into an import power and show other industrial nations how to help East Asian nations achieve self-supporting economic status. This is the only way Japan can keep the trust of Asian nations and help the development of the APEC.

'Emphasis on Asia' Urged

OW1311045894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 2

[Editorial: "Need To Place 'Emphasis on Asia' Through APEC"]

[FBIS Translated Text] The ministerial meetings and informal summit talks of the Asia-Pacific Economic Cooperation (APEC) will begin in Indonesia on 11 November, and an agreement on liberalizing trade and investment in the APEC region by 2020 is expected to be reached. However, the details of the agreement, including how to achieve the goal of free trade and investment in the region, need further discussion. There is no doubt that from now on, APEC member nations will continue to discuss what sort of an organization APEC should be.

It has to be realized that how resolutely Japan will act is of decisive importance, both for APEC and Japan. But it seems that such importance has not been fully realized, and we are concerned in this regard.

Since its inauguration in 1989, APEC has based its activities on a fundamental policy of "being a moderate consultative organization." But the United States has begun to place more emphasis on APEC, and President Clinton called an informal summit meeting last year. Since that time, APEC has increased its profile. At the same time, whether it should become more than a consultative organization has become an urgent problem.

The United States wants APEC to become an organization with binding power and benefit from an active Asian economy by liberalizing economic transactions in the region. On the other hand, Southeast Asian nations and China continue to be wary about the United States' moves and attempt to take the initiative. But such a conflict between the United States and other nations is inevitable because there are differences among the APEC member nations in terms of the members' methods of economic development, social systems, and values.

However, we cannot say that if APEC remains a consultative body, the continuity of economic development in the region will be guaranteed. What lies behind Indonesia's positive attitude as host nation in its statement on liberalizing trade and investment is that Indonesia cannot ignore the United States' opinion. Indonesian President Suharto also hopes to establish his fame both at home and abroad as a leader of APEC by achieving success in the forthcoming international conference.

There is much difference between setting up a plan and translating it into action. Leaders of each APEC member nation have their own domestic problems and interests. This is clear when we examine the example of Japan, and the situation is much more difficult for the leaders of developing countries.

Detailed proposals for implementing a goal specified in the statement to be adopted at the upcoming conference will be discussed and worked out at next year's conference, when Japan serves as a host nation. In this sense, Japan will have to play a very difficult role.

However, Japan has been required to meet such difficult situations bravely in view of promoting APEC activities and making clear Japan's policies toward the Asian region.

Attention has been paid to whether Japan is resolved to ease various regulations while opening its market to Asian nations. We wonder if Japan, while clinging to deadlocked bilateral negotiations with the United States, has failed to pay full attention to Asian nations' needs.

In order not to bring APEC activities to an unsubstantial end, Japan should be determined to take on the issues facing APEC, and needs to strengthen its relations with Asian nations. Meanwhile, Japan must ensure that Washington understands that Japan's attaching importance to Asia will not adversely affect the United States' interests. In APEC, there should be neither winners nor losers.

Significance of Resuming Auto Talks Discussed

OW1111063394 Tokyo KYODO in English 0624 GMT 11 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 11 KYODO—U.S. Ambassador to Japan Walter Mondale said Friday [11 November] that moves to resume stalled auto trade talks between Japan and the United States are making progress.

Mondale was referring to Thursday's meeting here between Japanese International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor.

"There was progress made in moving toward resumption of the talks," said Mondale, who attended the Hashimoto-Kantor meeting.

"The general mood there was positive."

But "there were no agreement on a specific time and no attempt to do so," he said.

After ending his meeting with Hashimoto on Thursday, Kantor said, "we agreed we will resume auto talks."

A Japanese Government official, however, played down the significance of the reported agreement on reopening the talks.

"Four conditions set by Tokyo for restarting the talks should be met in a clear manner," the official said.

"My impression was Japan received U.S. understanding on them," he added.

In the marathon session in Washington in September and October, Japan and the U.S. reached accords on three trade areas under the so-called "framework" agreement. But no consensus was reached on auto trade, prompting Washington to begin a probe of this area in line with the retaliatory Section 301 of a U.S. trade law.

Japan has repeatedly rejected U.S. requests to resume the deadlocked talks, saying a "cooling-off" period is needed.

Auto Association Protests U.S. Use of 301

OW1011153894 Tokyo KYODO in English 1514 GMT 10 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The United States is contradicting the spirit of the Uruguay Round of multilateral trade talks by using the retaliatory Section 301 trade provision in its investigation of Japan's repair market for auto parts, a Japanese automakers' association said Friday [11 November].

The Japan Automobile Manufacturers Association (JAMA) said it has submitted a written protest to the office of U.S. Trade Representatives (USTR), which had called for comments from concerned sectors.

JAMA stated that Section 301 is being used in the investigation as "a means of pressuring the government of Japan and the Japanese automotive industry into making trade concessions."

It called the move "inconsistent with the principles of international law, including the General Agreement on Tariffs and Trade (GATT) and the recently completed Uruguay Round agreement."

JAMA added that the USTR sees the Japanese automotive industry as having "market restrictive practices" that, in combination with government regulations, work to limit foreign access to the market.

Such allegations are "both inappropriate and incorrect, ignore the dramatic increase in U.S. parts sales to Japanese auto manufacturers, and is purely a political attempt to reopen matters that are no longer under negotiations," JAMA said.

"JAMA companies will not make business decisions based on political pressures," it added.

Asian Experts To Study Intellectual Property Laws

OW1111090794 Tokyo KYODO in English 0851 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Asian copyright experts will study Japanese and international measures to protect intellectual property in the media age at a two-week seminar starting Monday [14 November], the Agency for Cultural Affairs said Friday.

The five experts from China, India, Indonesia and Mongolia—countries where pirated versions of books, tapes, compact discs and videos can be found on the market—will exchange views with representatives of the Japanese Society for Rights of Authors, Composers and Publishers.

They will be informed of Japan's efforts to prevent copyright violations through the rapidly expanding exchange of information and images via online computer networks. They will also visit the plant of an audiovisuals maker, agency officials said.

While Japan and most other industrialized countries have enacted strict copyright laws and are also parties to the Berne Union, an international treaty forcing member states to guarantee foreign authors, composers and publishers the same protection their own receive, intellectual property is insufficiently protected in many Asian countries. South Korea and Indonesia, for instance, have not yet joined the Berne Union.

The agency launched its campaign to spread the idea of intellectual property last year in cooperation with the World Intellectual Property Organization. Japanese copyright experts have already held information seminars in Bangladesh and China.

Foreign Ministry Wants Murayama To Visit U.S.

OW1111134494 Tokyo KYODO in English 1326 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—A senior Foreign Ministry official said Friday [11 November] he hopes that Prime Minister Tomiichi Murayama will visit the United States in January, apparently in preference to a rumored visit to China.

A decision will be made on the basis of Murayama's scheduled talks with Chinese President Jiang Zemin next week in Jakarta during an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum, said the official, who requested anonymity.

Government sources said earlier Friday that they expect Jiang to invite Murayama to visit China as early as January.

Murayama has reportedly showed eagerness to visit China in January following the Dec. 3 close of the current extraordinary Diet session and prior to the convening of a regular Diet session in January.

However, the Foreign Ministry has indicated preference for a U.S. visit, which would provide a chance to reconfirm bilateral relations and evaluate progress on a number of issues since the first Murayama-Clinton meeting in July at the Naples summit of seven economic powers, ministry officials said.

Regarding the irritations that emerged in Tokyo-Beijing relations as a result of the visit of Taiwan's Deputy Premier Hsu Li-te to Japan for the Asian Games in Hiroshima last month, the official said, "it is not a problem the prime minister must seek to resolve by going there to repair relations."

Aides Divided Over Visit

OW1111084294 Tokyo SANKEI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 3

[FBIS Translated Text] Prime Minister Tomiichi Murayama is studying the possibility of visiting the United States in January next year. On 9 November, however, some of the prime minister's aides voiced caution about his visit to Washington. Their cautiousness about the prime minister's visit was based on their judgment that with the Republican Party taking control of both houses of Congress in the midterm elections, the U.S. Government would step up demands for opening the Japanese market, and the prime minister would be pressed to make trade concessions at summit talks with President Clinton.

Prime Minister Murayama, who has decided to visit China and the United States before the regular Diet session is convened in January next year, has already instructed the Foreign Ministry to coordinate with China and the United States about his visiting schedule.

On 9 November, however, the aides to the prime minister said firmly, "We are resolutely opposed to the prime minister visiting the United States." Explaining the reason for their opposition, they pointed out that 1) there are no pressing bilateral issues between Japan and the United States and 2) the Clinton administration, that has pressed Japan to open its market, may even toughen its hard-line stance on Japan in preparing for presidential elections.

Other aides to the prime minister, however, are stressing the need for the prime minister to visit the United States at an early date to strengthen Japan-U.S. relations, claiming "the prime minister has yet to visit the United States since the Murayama government was inaugurated." It seems that the pri-e minister will have the final word on the issue of his visit to Washington.

Hosokawa Said To Hold Talks With Clinton 2 Dec

OW1111140494 Tokyo KYODO in English 1343 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Former Prime Minister Morihiro Hosokawa will brief U.S. President Bill Clinton on reform-oriented policy ideals for a grand Japanese opposition party to be formed in December during their talks set for Dec. 2, sources close to Hosokawa said Friday [11 November].

Hosokawa will start a nine-day trip to the United States on Nov. 30, the sources said.

The new grand party will be inaugurated on Dec. 10 with the gathering together of legislators of Hosokawa's Japan New Party [JNP] and several other parties that constituted Hosokawa's now defunct coalition government.

The Hosokawa administration took power in August 1993 and collapsed last April after he abruptly announced his resignation on April 8 amid a barrage of criticism for his alleged irregular personal finances.

The JNP decided in late October to disband in preparation for joining the new opposition party, which has committed itself to ousting the current tripartite coalition government of Prime Minister Tomiichi Murayama.

Hosokawa will also hold talks with leaders of the U.S. Senate and the House of Representatives.

Before flying back to Japan on Dec. 8, he will give a lecture during a stopover in Chicago, they said.

Just before his resignation, Hosokawa held his last summit with Clinton and caused a stir by telling Clinton Japan would not accept Washington's demand for the setting of numerical trade targets sought by the U.S. to help pare down the bilateral trade deficit.

Tokyo on Possible Increase in U.S. Pressure

OW1111115294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 2

[FBIS Translated Text] In response to the results of the U.S. off-year elections, in which the Republican Party decisively defeated the Democrats, the Japanese Government views that, basically, "the results will not affect Japan-U.S. relations" (according to Chief Cabinet Secretary Igarashi). However, since it is possible that in preparation for a presidential election to be held in two years, the Clinton government may further strengthen its "result-oriented" policy, a senior Foreign Ministry official points out that "as for its relations with Tokyo, there is the possibility that Washington will increase pressure, such as a call for market opening, mainly in the area of trade and commerce." In the face of Japan-U.S. talks scheduled to be held at the Asia-Pacific Economic Cooperation [APEC] meeting, Japan intends to see how the Clinton government's diplomatic policies will turn out.

Speaking with reporters at his official residence in the late afternoon of 9 November, Prime Minister Murayama said: "I do not think the U.S. Government's policy toward Japan has had any influence on the elections," thus stressing Clinton's policy toward Japan was not a key to the election. Meanwhile, Chief Cabinet Secretary Igarashi, at a news conference held in the late afternoon of the same day, also indicated a negative view on speculation that the election results will lead the United States to increase pressure on Japan. Within the government and ruling parties, there is an optimistic view that because of the Republicans' obtaining the majority of seats in both houses, "the U.S. Government, like both the Reagan and Bush governments, which were Republican governments, will move in the direction of gaining a certain understanding of Japan's position."

However, the Foreign Ministry shows a cautious stance, saying: "The result is just to indicate the fact that power has changed within Congress. It does not mean that the government has changed" (according to a senior official). The ministry analyzes that the Clinton government's stand of emphasizing domestic affairs centered on economic recovery will remain unchanged and that "the Democratic Party will think over its conventional 'political line that has been much too liberal' and will certainly move to shift to a middle-of-the-road course" (a senior official).

The government views that it is possible that the United States will further increase pressure on Japan in quest of producing concrete results in such areas as: 1) Japan-U.S. trade issues, including market opening; 2) further implementation of international contributions, such as UN peacekeeping operations (PKO); and 3) cooperation with the DPRK, including the construction of light-water reactors.

Moreover, since the chairman of each committee of both houses will be changed in the wake of the elections, the

Japanese Government is keeping an eye on who will take over the posts. At the same time, the government, "at the APEC meeting, hopes to feel out how U.S. policies toward Japan will change" (according to a top Foreign Ministry leader).

Editorial Comments on Relations With U.S.

OW1111115494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 2

[Editorial: "How Are We Going To Deal With a U.S. Administration That Suffered a Massive Setback in Elections"]

[FBIS Translated Text] It is a U.S. political tradition that a governing party loses in midterm elections. However, the Democratic Party's recent loss is greater than people expected and is a blow to the Clinton administration. The time has come for Congress and the White House to have a political showdown aimed at the presidential election, which will be held in 1996. On Japan's part, it will be necessary to give more consideration than before to its U.S. ties.

Looking back at the course of events since the Clinton administration was inaugurated in January 1993, we cannot help but say that the outcome of the recent midterm elections is nothing but a setback. In addition to scandals involving women and confusion in the White House, failures in implementing policies, which President Clinton introduced since his administration took power, stand out.

In the diplomatic area, in particular, replacement of Secretary of State Christopher has been talked about constantly. Regarding policies toward Asia, an unusual situation happened: an assistant secretary for Asian affairs criticized the Clinton administration's approach of attaching importance to economics and human rights. Regarding North Korea's suspected nuclear arms development, people in the United States, although it managed to reach an agreement with the DPRK, are strongly criticizing the Clinton administration, saying that too many compromises were made in favor of North Korea.

No Democratic president has been reelected in the Untied States after World War II. To President Clinton, the outcome of the recent midterm elections serves as a prelude to difficulty he will encounter in the 1996 election. The President has no choice but to lean toward policy management aimed at producing quick results in the next two years for his reelection.

Meanwhile, it is said that Bob Dole, Senate floor leader, will become a presidential candidate in 1996. It is certain that he will further clarify his political stand against the Clinton administration. The stalemate—caused by the Republican Party's long-term control, which has lasted since 1968, over the White House and the Democratic Party's rule over the Senate—was making the American people feel that they were left out [heisoku] of politics. Their hope to change this stalemate helped President Clinton win the 1992 presidential election. Ironically, however, it seems likely that a similar situation will prevail despite the fact that both parties' stands have been reversed [since the midterm elections].

It is not clear as to how Senate committees will be reshuffled as a result of the recent elections. However, the Clinton administration will feel considerable restrictions in implementing its diplomatic policies should conservative Republican [Jesse] Helms become chairman of the Senate Foreign Relations Committee, for example. We are certain that its will have unavoidable impacts on Japan-U.S. relations.

Japan's political situation has been very unstable for more than a year. It seems that the Murayama administration—which is composed of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger]—is stable as far as the number of Diet seats is concerned. However, will they be able to maintain unity for an upper house election, which will be held next year? Indeed, it is hard to predict.

There is an element that prevents us from becoming entirely optimistic about the future of Japan-U.S. relations guided by two unstable administrations. People have some fear that the two administrations may have to give priority to domestic matters and thereby be forced to choose a road to confrontation.

Such a choice will produce almost no positive outcomes for either country. If that is the case, the two countries will have no choice but to continue to accumulate small agreements through discussions without becoming emotional no matter what kind of problems may arise. Without doubt, both countries believed in the importance of Japan-U.S. relations during the Cold War era. However, this belief is beginning to thin out. We are certain that the two countries will need to repeatedly confirm the importance of Japan-U.S. relations.

Further Reaction to U.S. Election Results

Dietmen Interpret Outcome

OW1111023394 Tokyo ASAHI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 2

[FBIS Translated Text] Some Japanese Diet members such as former Foreign Minister Hiroshi Mitsuzuka are hopeful that "Japan-U.S. relations will take a turn for the better" as a result of the Republican Party gaining majorities in U.S. Congressional elections. The Republican Party, which advocates trade liberalism, has made conspicuous gains in the Congress.

An increasing number of Diet members are now concerned about the forthcoming lower house election to be held under the small electoral district system. They are alarmed by the sweeping reversal of fortune seen among the forces of the Democratic Party and the Republican Party in the lower house. A ranking Liberal Democratic

Party [LDP] official said: "This may be a characteristic of the small electoral district system to be used for the lower house elections."

Within the LDP there is also the view of people such as Koichi Kato, chairman of the party Policy Research Council, who says: "The outcome is something that goes beyond the pattern of a ruling party losing seats in a mid-term election. This is a defeat for a flip-flopping government which has talked a lot about change, but has not actually achieved any change."

Kato's apparently had in mind the oppostion group "new-new party," whose motto is "reform," when he made the remarks about "flip-flopping." He was suggesting the group might meet the same fate.

Motoo Shiina, upper house member (independent), said: "The Republican Party probably gained from the feeling among voters that there has been some private dirty dealing among members of the current administration." Issei Inoue, director general of the Social Democratic Party of Japan's [SDPJ) International Bureau, said: "President Clinton's way of running the government has been severely criticized."

One LDP leader, who previously served as foreign minister, said: "The fact the ruling party lost in the elections despite improving the economic conditions of the country represents a warning sign to the Clinton administration."

ASAHI Publishes Editorial

OW1111101494 Tokyo ASAHI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 5

[Editorial: "What U.S. Off-Year Elections Tell Us"]

[FBIS Translated Text] There must be rebel voters frustrated with the present situation in U.S. society.

As a result of the U.S. off-year elections, Republicans won back the majority in both the Senate and House. Moreover, the majority of governorships were also won by Republicans, and this is likely to affect the 1996 presidential election.

The Republican Party has long been the minority power in the U.S. Congress. In the Senate, Republicans obtained the majority for the first time since 1986, and, in the House, for the first time since 1954.

U.S. off-year elections usually end up to the opposition party's advantage because it is difficult for the president to demonstrate remarkable achievements in the first two years in office. Nevertheless, the Democrats' landslide defeat cannot be described in the limitation of common sense.

According to a CBS exit poll, 97 percent of those who voted for Republican candidates said they did so "to say no to President Bill Clinton." Clinton made his debut on the national political scene as a critic of Washington politics. After two years, however, he is criticized as a person controlling worn-out politics. U.S. citizens said no to the president calling for a "change" of politics, even though he was elected for his change-oriented style.

Compared with Japan, local autonomy is well developed in the United States, and the public has various demands for politics. Under such circumstances, the two major parties have been building up national consensus through compromise between the president and Congress.

The outcome of the off-year election probably indicates that the conventional U.S. political system can no longer manage complicated demands from the public living in a diversified society. If so, the elections are a sign of great change in the U.S. political system.

In fact, we saw a premonition in the 1992 presidential election. At that time, H. Ross Perot obtained wide-ranging support from voters frustrated with both Republicans and Democrats.

If President Clinton is seeking reelection in 1996, he has two choices. One is to cope with conservative groups in Congress in a tie-up with the public under his 1992 slogan of the "American renaissance." Another is to tone down his idealistic policies to settle pending issues in concessions with the Republican-led Congress.

U.S. watchers say President Clinton will try to improve his own image by demonstrating his leadership in foreign affairs as the Congress does not have strong control over the executive branch in this field.

On the other hand, Republicans should be satisfied with their majority in both houses. In view of the 1996 presidential election, the Republican Party will have to reconstruct a trustworthy image. Some speculators say the Republicans will not behave like an irresponsible opposition party.

Because of the Republicans' majority, ultraconservative Jesse Helms and 91-year-old conservative Strom Thurmond are expected to be inaugurated as chairmen of the Senate Committees on Foreign Relations and Defense, respectively.

If so, it is questionable if President Clinton can take the initiative in foreign, defense, and security policies as he was not a strong president even before the elections.

Sudden changes are unlikely to take place in the United States' Japan policies since the democrat government is still in power. In preparation for the 1996 presidential election, the U.S. Government will probably continue result-oriented trade policies in a bid for popularity.

So, Japan had better understand that U.S. demands for Japanese concessions are likely to be strengthened under the weakened government.

DA Begins To Study ACS Agreement With U.S.

OW1211014194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 1

[FBIS Translated Text] The Defense Agency [DA] has begun to study the possibility of signing an "acquisition and cross-servicing agreement (ACSA)" for the refueling of warships and the supply of other goods between the Self-Defense Forces [SDF] and the U.S. Forces in Japan [USFJ].

The Joint Staff Council and the USFJ have completed the coordination needed between themselves. After completing its in-house study, the DA will start negotiations with the Ministry of Foreign Affairs and other ministries. Envisaging the possibility of accommodating each other with fuel, medical supplies, and other goods during Japan-U.S. peacetime joint military exercises, the DA wants to improve relevant laws by taking such action as submitting to the 1996 ordinary Diet session bills revising the SDF Act.

The DA has so far been careful in handling the issue of an ACSA because it involves the right to collective self-defense. Anticipating changes in the post-Cold War international situation, however, the DA has come to the conclusion that signing an ACSA is necessary to maintain and strengthen the security system between Japan and the United States.

An ACSA is an agreement signed between the United States and an ally to exchange supplies and services to help the transportation of military personnel, mainly to help joint training exercises go smoothly. The United States has signed ACSA's with 17 countries, including NATO allies, the ROK, and Israel.

Due to the Commodity Control Act and other restrictions, Japan and the United States cannot currently exchange supplies and services during joint training exercises. Japan, for example, cannot supply vehicles to transport U.S. military personnel when they come to Japan for joint training. Both the USFJ and the SDF are calling for a revision of the current situation, saying that a "mutual cross-servicing system is necessary in order to improve our cooperation in maintaining the Japan-U.S. Security Treaty."

The DA, by taking into account the fact that all political parties now want to maintain the Japan-U.S. security system, has decided to start working toward the signing of an ACSA.

The DA is to begin a detailed study which will concentrate on the exchange of supplies and services during joint exercises. The DA will exclude emergency cases, such as USFJ combat actions, and instead improve systems for use in peacetime.

The agreement will cover the supply of food and fuel, logistics support, and medical and communications services. The supply of ammunition will not be a subject of the cross-servicing.

Keidanren on Deregulation Effects, U.S. Ties

OW1211140294 Tokyo ASAHI SHIMBUN in Japanese 12 Nov 94 Morning Edition p 11

[By correspondent Hideo Kaminori]

[FBIS Translated Text] On 10 November, Shoichiro Toyoda, Toyota Motor Corporation chairman, held a news conference in Washington after winding up his first visit to the United States since becoming Keidanren [the Federation of Economic Organizations of Japan] chairman. During the news conference, he painted an optimistic picture of future Japan-U.S. economic relations, saying: "The relaxation of regulations will help the Japanese economy recover and boost Japan's imports, thereby correcting the current trade imbalance between Japan and the United States. If these things happen, the yen's exchange rate will drift back to the level of 110 or 120 yen per dollar."

Robert Rubin, assistant to the U.S. President, has stated: "The relaxation of regulations will increase Japan's economic growth by one percentage point." Toyoda made the statement at the news conference as if he was a spokesman for the U.S. Government, but behind his statement was a cry of distress from the Japanese manufacturing industry, which has been plagued by the appreciated yen.

The relaxation of regulations carries pains to businesses that have thus far been protected by the very regulations.

NEC Corporation President Tadahiro Sekimoto, who was visiting the United States as a member of the Keidanren mission, candidly pointed out: "While the relaxation of regulations will open the Japanese market and help foreign firms gain access, Japanese enterprises will increasingly relocate their production overseas after examining labor cost and other optimum conditions. The relocation of production overseas will heighten concerns at home over employment."

Another potential issue is that it takes a long time for deregulation to generate the desired effects, and this could cause friction between Japan and the Clinton administration, which is pursuing a result-oriented policy.

Mitsubishi Corporation President Minoru Makihara said: "The cooperation relationship between Japan and the United States at the private level has made progress, but the critical atmosphere of Washington against Japan still remains unchanged." Fuji Xerox Chairman Yotaro Kobayashi said: "The Republicans' landslide victory in the midterm elections is not expected to soften U.S. policy toward Japan. There is a possibility that the conservative inward- looking trend, which is critical of President Clinton, will stir up further Japan bashing." In this way, he appeared concerned over post-election economic relations between Japan and the United States.

Tokyo Provisionally Adopts UN Sea Law Agreement

OW1111050594 Tokyo KYODO in English 0430 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The cabinet decided Friday [11 November] to provisionally adopt an implementation agreement for the UN Convention on the Law of the Sea, ahead of next Wednesday when the convention goes into force.

On the same day of the sea law's enforcement, a new organization called the International Sea-Bed Authority will be launched, and Japan will become a member.

Hisashi Owada, Japan's ambassador to the United Nations, will attend the first assembly of the authority in Jakarta next week.

Japan's adoption of the agreement relating to the implementation of Part XI of the convention is in effect a revision of the part, which has been a contentious issue in the international community.

Part XI states that the International Sea-Bed Authority will have the main responsibility for developing resources such as manganese, nickel and cobalt in deep-sea areas.

Developing countries have ratified the law, but Japan, the United States, and other industrialized countries had refused to, saying that Part 11 hindered commercial exploitation rights.

Under the provisional adoption, Japan will keep its claim to mining rights on about 75,000 square kilometers of a deep-sea area off the southe?st shores of Hawaii.

The convention was adopted in 1982, establishing territorial waters of 12 nautical miles and economic waters of 200 nautical miles, and setting down regulations for the sea environment.

The government hopes to submit the provisional agreement, the convention and its related revised laws to the Diet in 1996.

Takemura Confirms Appointment of New BOJ Chief

OW1011164494 Tokyo KYODO in English 1619 GMT 10 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Finance Minister Masayoshi Takemura confirmed early Friday [11 November] that the government has unof?icially decided to name Yasuo Matsushita, former vice finance minister, as successor to Bank of Japan [BOJ] Gov. Yasushi Mieno.

Mieno is scheduled to retire on Dec. 16 on completion of his five-year term, and the new governor will be officially appointed on Dec. 17 after being approved at a cabinet meeting the previous day, Takemura said.

The MOF chief said that Mieno "strongly recommended Matsushita," and Prime Minister Tomiichi Murayama confirmed the selection a few days ago.

He said the unofficial appointment was decided after talks with Murayama and Chief Cabinet Secretary Kozo Igarashi.

The government also unofficially decided to promote Toshihiko Fukui, current executive director, to vice governor to succeed current Deputy Governor Hiroshi Yoshimoto, Takemura said.

He strongly dismissed the notion of a tacit rule whereby the post of BOJ governor has customarily been filled by former Finance Ministry officials and BOJ officials alternately for the past five terms.

But this time, in effect, it is the turn of the Finance Ministry, and Matsushita was picked for his outstanding career in the financial field as well as his experience on the international stage.

Furthermore, BOJ careerist Fukui's promotion to vice governor is seen by many analysts as a step toward the governor's post after Matsushita.

Takemura said the government gives much credit to Matsushita's experience amid the changing financial scene at home and abroad.

Matsushita is currently an advisor for Sakura Bank. He resigned as vice finance minister in 1986, and joined Taiyo-Kobe Bank, which later merged with Mitsui Bank and became Sakura Bank.

Matsushita will be the first private-sector banker to become BOJ governor since 1964 when Makoto Usami was picked from Mitsubishi Bank.

Takemura on Matsushita

OW1111015094 Tokyo KYODO in English 0131 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Finance Minister Masayoshi Takemura expressed hopes Friday [11 November] that the next central bank governor will do his job by "broadening his outlook" to meet the challenges of a changing financial world at home and abroad.

Earlier Friday, Takemura said that the government has unofficially decided to name Yasuo Matsushita, a former vice finance minister, to succeed Yasushi Mieno as governor of the Bank of Japan (BOJ). Mieno will retire Dec. 16 on completion of his five-year term.

Takemura told reporters that the new governor is required to accomplish his financial responsibility by broadening his outlook as the monetary world has become much closer and been expanding.

Matsushita, currently an adviser to Sakura Bank, will be officially appointed Dec. 17 after being approved at a cabinet meeting the previous day, Takemura said.

Takemura said almost all people he unofficially contacted during the process of selecting Mieno's successor gave affirmative views on Matsushita.

"There was no negative opinion about him," Takemura said.

After coming to the conclusion that Matsushita was the man for the job, he consulted with Prime Minister Tomiichi Murayama a week ago, Takemura said.

Financial Sector's Reaction

OW1111091094 Tokyo KYODO in English 0848 GMT 11 Nov 94

[By Keiko Tatsuta]

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Japanese financial circles have tendered mixed reactions to the choice of a former vice finance minister as successor to Bank of Japan (BOJ) governor Yasushi Mieno.

The government has unofficially decided to name 68-year-old Yasuo Matsushita to succeed Mieno, whose five-year term expires on Dec. 16.

Some welcome Matsushita, currently an adviser and representative director for Sakura Bank, as the most suitable person among the candidates, while others voice concern over possible influence by the Finance Ministry because of his career there.

The post of BOJ governor has customarily been filled by a former Finance Ministry official and a BOJ official in rotation for the past five terms.

This time, Matsushita was picked to effectively meet the Finance Ministry's turn as widely expected, although Finance Minister Masayoshi Takemura denies there is any such "rotation" rule.

Yukio Yambe, chief economist at DKB Research Institute, expressed contradictory feelings on the choice of Matsushita, who is familiar both with private business and administration.

"I'm a bit concerned about his connection with the Finance Ministry and I wonder how much independence he can have," Yambe said. "Paradoxically, though, I feel relieved that he understands the need for the central banker to be independent from politics because of his experience in the private sector."

Matsushita, a graduate of Tokyo University, joined the Finance Ministry in 1950 to become the vice finance minister in 1982. After leaving the post in 1986, he joined Taiyo-Kobe Bank and was promoted to president in 1987.

When Taiyo-Kobe Bank merged with Mitsui Bank in 1990 to later become Sakura Bank, Matsushita took the post of chairman and became representative director and adviser in June 1994.

Asked about hopes for Matsushita's ability as the new BOJ governor, Yambe said, "The central bank moves by team play rather than individual color...There will be no big change in monetary policy even with the personnel change."

Hiromitsu Soma, senior economist at Japan Research Institute, agreed with Yambe, saying, "The BOJ is realistic to continue the present policy stance."

Matsushita is likely to follow Mieno's current policy of recently allowing interest rates to rise a bit but is also expected not to raise rates so much, Soma said.

Soma also said financial institutions expect much of Matsushita's strong awareness about nonperforming asset problems because of his experience in the banking business.

Japan's banking firms cannot compete on the world financial scene without strengthening their structure on the principle of self responsibility, Soma said.

Soma said the outgoing Mieno leaves behind the issue of disposing of bad loans owned by Japan's financial institutions, although the economy has finally started to recover.

A top business executive welcomed Matsushita as the new central banker because of his personality and insight. Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, said, "I hope for appropriate management of monetary policy."

Prime Minister Tomiichi Murayama told reporters that Matsushita is the most suitable person to be the next BOJ governor, saying the government decided by putting "the right man in the right place."

Finance Minister Takemura, in selecting the former vice finance minister, also praised Matsushita's "international sense" and English-speaking ability.

According to sources close to Takemura, the finance minister sounded out a number of knowledgeable people for advice on choosing Mieno's successor.

Takemura attached a great importance to the process of selecting the next central bank governor, the sources said, and would object to charges Matsushita was selected as a matter of course because it is the Finance Ministry's turn, they said.

The minister wanted to choose from among a number of candidates after seriously studying the required nature of a BOJ governor, they said.

Tokyo, Washington To Work on DPRK Consortium

OW1211051394 Tokyo KYODO in English 0455 GMT 12 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japanese Foreign Minister Yohei Kono and U.S. Secretary of State Warren Christopher agreed Saturday that Tokyo and Washington will maximize efforts toward creating an international consortium to help introduce new types of nuclear reactors in North Korea.

During the hourlong meeting in Jakarta, Christopher proposed the setting up of an expert panel with Japan "shortly" to get the process of creating the consortium on the right track, Japanese Government officials told reporters.

Kono accepted the proposal, saying Tokyo hopes the process will make an early start, the officials said.

Kono and Christopher met in Jakarta, taking the opportunity of attending a two-day ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum until Saturday.

Christopher was quoted as clarifying that U.S. foreign policy will not change despite a huge setback for President Bill Clinton's Democratic party in the midterm elections.

The United States will pursue its foreign policy continuity, Christopher said.

On the "framework" trade talks, Kono and Christopher confirmed the importance for Japan and the United States to strengthen trade ties in the "common agenda," a category of the framework talks that covers such global issues as AIDS, population and environmental protection, the officials said.

Kono told Christopher that Japan highly appreciates U.S. efforts that led to the nuclear pact with North Korea, which resulted from Washington's "tenacious" negotiations with the north.

The agreement, signed in Geneva in October, calls for North Korea to freeze construction of a graphite-moderated nuclear reactor and close down the existing experimental reactor. In return, Washington will help create an international consortium to provide Pyongyang with safer light-water reactors.

Light-water reactors produce very little of plutonium, which can be used for nuclear bombs.

The Japanese foreign minister, while noting it is time for Japan, the United States and South Korea to play a key role in implementing the pact, said he hopes "various suspicions" about North Korea's intentions will be wiped out in that process.

Christopher and Kono shared the view that Japan-U.S. relations will not be affected by the Democrats' major defeat in the off-year elections, the officials said.

Christopher told Kono that U.S. foreign policy has been "traditionally bipartisan" and this stance will continue to be applied to its ties with the Asia-Pacific area. He noted that Japan-U.S. ties were not a major issue in the elections.

Christopher told Kono the pursuit of common agenda in the framework talks has "a significant meaning" in furthering Japan-U.S. relations and that such an approach can serve as "a model" to help settle pending framework issues.

Kono supported the view, saying Tokyo wants to see progress in such remaining issues as flat glass, auto parts and automobiles on the basis of the approach.

Christopher voiced confidence for an early ratification of Uruguay Round bills, the officials said.

He was quoted as saying the U.S. Government is now analyzing possible impact of the latest election result on the fate of the bills.

He said he is confident about the bills' passage within this year.

Seoul Backs New Reactor Project for Pyongyang

OW1211003694 Tokyo KYODO in English 2357 GMT 11 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japan and South Korea have agreed to cooperate in creating an international consortium to help Pyongyang introduce new types of nuclear reactors, Japanese Government officials said.

The two countries confirmed the policy during a meeting Friday between Japanese and South Korean Foreign Ministers Yohei Kono and Han Sung-chu, the officials told reporters.

Han and Kono judged it necessary to create the consortium in the near future in line with the latest nuclear accord between the United States and North Korea, the officials said. The two countries need to craft a framework of cooperation while consulting with other parties concerned, the two foreign ministers were quoted as saying.

In the nuclear pact in October, Washington promised North Korea it will form the consortium to help Pyongyang replace its graphite- moderated reactors with light-water models. At issue is how to raise the funds among concerned parties to finance the new reactor project, which is estimated to cost 4 billion dollars.

But Friday's Kono-Han meeting did not touch on the matter, the officials said. Kono and Han welcomed the latest nuclear accord between the U.S. and North Korea as providing "a clue to genuine peace and stability on the Korean peninsula." Continuous steps need to be worked out in line with the nuclear pact, the two ministers were quoted as saying.

Kono proposed launching consultations among China and other countries in northeastern Asia as a way to bring peace and stability to the area, the officials said.

Han was quoted as supporting the proposal. Kono and Han are in Jakarta to attend a two-day ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum until Saturday.

Officials on Funding DPRK Nuclear Project

OW1111141694 Tokyo KYODO in English 1405 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Creation of an international consortium to supply North Korea with modern nuclear power reactors will be delayed until Japan and the United States overcome a gulf on funding the project, Foreign Ministry officials said Friday [11 November].

The start-up of the proposed Korea Energy Development Organization (KEDO) appears likely to be delayed beyond the end of the year because of differing opinions on financial cooperation by Washington and Tokyo.

It will also take time to recruit other countries besides the U.S., Japan and South Korea into the consortium, the officials said.

Earlier Friday, visiting U.S. ambassador-at-large Robert Gallucci said the first preparatory meeting to discuss formal inauguration of the KEDO will be held on Nov. 18 in Washington.

The U.S. reportedly is hoping that Japan will share some 30 percent of the 4 billion dollar cost of the project.

However, a Foreign Ministry source said it will "not be easy" to obtain the understanding of Japanese for such a large contribution until suspicions that North Korea may be using its nuclear power program to build an atomic weapons arsenal are resolved.

Japan is also seeking financial cooperation from other nations, but the officials said that Germany's interest is "weak" and there is no clear indication of the attitudes in Moscow or Beijing.

Gallucci met with Vice Foreign Minister Kunihiko Saito on Thursday to discuss the consortium and other issues related to the Oct. 21 agreement between the U.S. and North Korea, in which Pyongyang agreed to freeze its nuclear program in return for improved economic and diplomatic relations with Washington.

DPRK Officials To Visit Tokyo To Discuss Ties

OW1411144094 Tokyo KYODO in English 1431 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Four North Korean officials will arrive in Japan on Nov. 24 for talks with Japanese coalition officials to discuss resumption of normalization talks between Pyongyang and Tokyo, coalition sources said Monday.

The North Korean delegation, the first to visit Japan since the death of President Kim Il-song on July 8, will be headed by Paek Pong-kyu, a bureau chief at the (North) Korean Committee for Cultural Relations With Foreign Countries, which is handling contacts with Japan in the absence of official ties.

Paek's delegation will include Song Il-ho, who is in charge of the normalization talks.

During their stay through Dec. 4, Paek and his party will meet with Koichi Kato, chairman of the Liberal Democratic Party (LDP) Policy Affairs Research Council, as well as leaders of the Social Democratic Party (SDP) and minor coalition partner new party Sakigake [Harbinger], the sources said.

Both sides will discuss ways to revive stalled bilateral dialogue aimed at establishing full diplomatic relations, the sources said.

Normalization talks broke down in November 1992 when the North Koreans walked out in protest against Tokyo's demand for information about a Japanese woman allegedly abducted by the North to train a self-confessed North Korean terrorist, Kim Hyon-hui, convicted of blowing up a Korean Air jet in 1987.

The North Korean delegation will also mull a plan by the three Japanese coalition parties to dispatch a joint delegation to North Korea to sound out the prospect for reopening talks.

Kim Yong-sun, secretary of the Workers Party of Korea (WPK), said in an interview with a Japanese television network Nov. 8 that Pyongyang will accept the Japanese coalition delegation only after Tokyo reaffirms the validity of a joint declaration issued in 1990.

The declaration issued by the WPK, the LDP and the SDP urged Japan to compensate North Korea "for enormous misfortunes and miseries imposed upon the Korean people for 36 years, and the losses inflicted upon the Korean people in the ensuing 45 years after the war."

The Korean peninsula was under Japan's colonial rule between 1910 and 1945.

Officially, the North Koreans are visiting Japan to attend a two- day rally in support of self-determined Korean unification sponsored by a pro-Pyongyang group in Japan. The rally will open Dec. 4 in Chiba, east of Tokyo.

Meanwhile, a group of legislators held a meeting to call on the government of Prime Minister Tomiichi Murayama to reopen normalization talks with Pyongyang as soon as possible.

In the meeting, SDP Secretary General Wataru Kubo said he hopes it will provides "momentum to realize a visit by the coalition to North Korea and open the way for negotiations at the earliest date possible."

Japanese Expanding Business in Chinese Market

OW1211134394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Nov 94 Morning Edition p 3

[FBIS Translated Text] Small companies have been eagerly trying to expand their business in China. Among the Small Business Finance Corporation's [SBFC] loan partners (which are small companies), the number of companies that have found their way to China has doubled in the two years since 1992. The number of firms planning to enter the Chinese market has almost tripled compared to those already there. Studies conducted by the Small and Medium Enterprise Agency [SMEA] and the Central Bank for Commercial and Industrial Cooperatives [CBCIC] show that most companies choose China when they decide to expand their business overseas. However, some people are concerned over this business boom becoming overheated because small firms usually have neither enough experience in foreign investment nor knowledge about political situations abroad.

According to the SBFC, 120 of its loan partners opened branch offices in China in June 1992. But this number rose to 238 in June 1994, accounting for almost 20 percent of the 1,205 firms that entered foreign markets during the same year. Furthermore, 690 out of 1,051 enterprises with a plan to expand overseas have a desire to go to China. Such numbers indicate a growing interest in China by the small business industry.

When making their way into foreign markets, various companies take advantage of preferential treatments, such as low-interest rate loans, provided by the Restructuring Support Law, which went into effect last November. The SMEA said nearly 60 percent of these firms went to China. By the end of September, 122 applications for preferential treatment were received. Among them, 68 were mostly related to business projects in China's textiles, machinery, and plastic industry.

A study conducted by the CBCIC on the impact of the yen's appreciation also clearly revealed the small companies' interest in China. Fifty-two percent of companies trying to start or expand business overseas are considering China. An SBFC Economic Information Bureau official analyzed such a move, saying: "Urged to make a decision as the yen's appreciation progresses, small companies, which have been interested in China's vigorous growth, are now trying to take action."

On the other hand, some people are concerned over the fact that so many small firms are trying to invest in Chinese businesses at the same time. According to a Japan-China investment promotion organ, which encourages private firms' investment in China, the ratio of foreign capital in tangible fixed asset in China has been increasing because of the rapid introduction of foreign capital to the nation. In addition, the Chinese people have begun realizing that it is not good for the nation to rely so much on foreign capital.

For example, China suddenly revoked refunding the zochi-zei (value added tax) it promised to foreign-affiliated companies. As seen here, China is apparently trying to reduce preferential treatments for foreign capital. This makes it difficult for Japan's labor intensive industries, such as the spinning industry, to obtain better location conditions in China because these are the industries that are competing with China.

A number of small Japanese companies in China are under joint management with local companies. But in many cases, management does not go well because of opinion conflicts with Chinese partners.

Yasuo Yoneyama, an administrative assistant of the Japan-China investment promotion organ, pointed out: "I understand that those companies are searching for a breakthrough in China because of the business drag at home. But it is risky for small firms, which do not have enough experiences, to carry out things in a hasty manner. Risk involved in China are still greater than those of the United States and Southeast Asian nations."

Steelmakers' New Negotiating System

OW1411095194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Nov 94 Morning Edition p 13

[FBIS Translated Text] Six blast furnace steelmakers, including Nippon Steel Corporation [NSC], have proposed to the China National Metal and Mining Corporation [CNMMC] that the system under which the Japanese firms jointly negotiate with the CNMMC on steel exports to China be changed to an individual negotiating system.

Twice a year for 22 years the Japanese steelmakers have jointly negotiated the volume and price of ordinary steel exports to China.

They have concluded, however, that the joint negotiations could invite international criticism, given calls for more stringent application of the anti-monopoly law. Depending on the response of the CNMMC, they hope to start separate negotiations as early as the beginning of next year.

In addition to the NSC, NKK Corporation, Sumitomo Metal Industries Ltd., Kawasaki Steel Corporation, Kobe Steel Ltd., and Nissin Steel Company also take part in the joint negotiations. The joint negotiating system was adopted in 1972, after the normalization of Sino-Japanese relations, to ensure stable supplies of steel products to China. Since then, the six Japanese companies have jointly negotiated with the CNMMC once each year in the February-July period and the August-January period. They have shared the export quota among themselves.

However, appreciation in the value of the yen has intensified competition among steelmakers at home and some people in the industry have begun to say: "The joint dealings go against the needs of the times." They also appear worried about possible criticism from the U.S. steel industry, which has begun monitoring steel dealings outside the United States.

The steelmakers hope to have the last joint negotiations by the end of January 1995 and to begin separate talks from February 1995.

The joint dealings have been regarded as a good example of "cooperation" among steelmakers. If the system of separate negotiations is adopted, steelmakers at home and abroad are likely to run a heated survival race.

Marubeni's Joint Venture

OW1411100894 Tokyo KYODO in English 0952 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Major Japanese trading house Marubeni Corp. said Monday [14 November] it has agreed with U.S. and Chinese companies to set up a joint electric power firm in China.

The joint company will be capitalized at 400 million dollars, and will be about 20 percent owned by Marubeni and the remainder by Entergy Corp. of the United States and a local concern in Guandong Province, southeastern China, Marubeni officials said.

Under the accord, a 1.32 kilowatt coal-burning electric power plant is expected to be constructed from early 1996 at a total investment cost of 1.3 billion dollars and to start operating in the year 2000, according to the officials.

The new electric power firm will seek loans worth 900 million dollars, to be used as part of the construction cost, from the Asian development bank, the export-import bank of Japan and private Japanese banks, they said.

Cautious Hashimoto on Taipei's GATT Membership

OW1211151894 Tokyo KYODO in English 1407 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japanese International Trade and Industry Minister Ryutaro Hashimoto on Saturday [12 November] showed a cautious stance toward Taiwan's early admission to the General Agreement on Tariffs and Trade (GATT).

Speaking at a press conference in Jakarta, Hashimoto said Taiwan has very great economic strength, but added "I think Chinese Taipei has several things to do before joining GATT."

Concerning relations with Japan, for example, Taiwan has problems in auto trade, Hashimoto said, referring to Taiwan's export restrictions in the sector.

Hashimoto is in the Indonesian capital after attending the sixth ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum, which concluded its two-day session earlier in the day.

Tokyo on Wartime Debts Repayment to Taiwan

OW1211085394 Tokyo MAINICHI SHIMBUN in Japanese 6 Nov 94 Morning Edition p 1

[FBIS Translated Text] In an effort to settle the issue by the end of this year concerning Japan's determinate obligation to Taiwan, which is one of the focal points of Japan's post-war reparation, the government has decided on a basic policy concerning unsettled payment to Taiwan. The debts includes accrued payrolls for former Japanese soldiers, military postal savings, and postal insurance. The following method will be adopted to repay approximately Y580 million [yen] (face value at the end of the war) in total to Taiwan people: 1) as for accrued payrolls, Japan will pay about 100 times face value; and 2) for the repayment of other debts such as military postal savings, the "Okinawa System" (a person's ordinary deposit is settled as fixed amount savings which have a higher interest, and the difference will be given to the person as a gift of money in token of the government's sympathy)—which was applied when Okinawa was returned to Japan in 1972—will be applied, and based on this system, the government will pay about 20 times total interest and principal. The total repayment will be approximately Y18-20 billion, and the government plans to include them in the draft budget for fiscal 1995.

Since the settlement of the issue concerning post-war reparation is an important task for the Murayama cabinet to carry out, Prime Minister Murayama hopes to strengthen centripetal force of his government by settling the issue concerning Japan's debts early. However, since Taiwan people are calling for paying 300 times to 7,000 times face value based on indexing, negotiations between the Japanese Government and Taiwan people seem to be rough going.

The Japanese government estimates Japan's determinate obligation to Taiwan residents consists of: 1) accrued salaries and wages for former Japanese soldiers and army civilian employees (total 61,000 people, and Y82 million at face value at the end of the war); 2) military postal savings (60,000 savings accounts and Y247 million at face value at the end of the war); 3) overseas postal savings (2.42 million savings accounts and Y122 million at face value at the end of the war); 4) postal insurance (for 1.9 million people and Y110 million at face value at the end of the war); and 5) postal savings (6,000 savings and Y15 million at face value at the end of the war). Since money value has changed from the war's end to the present, attention has been paid to how much should be added to face value at the end of the war when repaying debts.

As for military postal savings, (then) Prime Minister Miyazawa stated at an upper house Budget Committee session in June, 1993, that "this is not the matter to be settled by repaying deposits in the then face value." In response, seven ministries concerned, including the Finance Ministry, the Prime Minister's Office and the Health and Welfare Ministry, discussed the method of repayment. As a result, they have decided to carry out the repayment by applying the "Okinawa System," which has the highest added ratio, to such repayment as military postal savings and postal insurance. As for accrued payrolls, which have different characteristics from other unpaid debts, the government has decided to pay about 100 times face value while considering giving a gift of money in token of the government's sympathy.

Concerning the Taiwan people's proposed repayments based on indexation, the Supreme Court, in a lawsuit filed in 1982 by former Taiwan army civilians calling for refunds, ruled that "there is no legal basis for the repayment based on indexation." In addition, the government has judged that "it is impossible to accept the proposal" because it is necessary to come up with a huge budgetary measure if indexation is applied" (according to a government source).

Keeping in mind that next year marks the 50th anniversary of the end of the war, Prime Minister Murayama, in attempt to display his personal coloring as prime minister from the Social Democratic Party, is positively coming to grips with the issue concerning post-war reparation. Moreover, seeing that the draft bill on single-seat constituency combined with proportional representation is expected to be put in force by the end of this year, the Murayama government has decided to settle the issue by the end of this year concerning Japan's repayment of debts to Taiwan, in hopes of keeping the initiative in managing the political situation after the completion of political reform by solving the issue of post-war reparation.

However, since there are big differences in the proposal between Japan and Taiwan for the amount to be refunded, it is still unclear whether the government-proposed method can work to reach a final settlement of the issue. The Finance Ministry is strongly opposed to further additions to the amount, and in this sense, it seems there is no room for Japan to change its plan.

Mitsubishi To Produce Microchips in Taiwan

OW1411105994 Tokyo KYODO in English 1036 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—Mitsubishi Electric Corp. and Kanematsu Corp., a Japanese trading company, will set up a joint venture in Taiwan, by the end of the month to make microchips with local companies, Mitsubishi officials said Monday [14 November].

Powerchip Semiconductor Corp., as the Taipei-based new company will be called, will begin production of 16-megabit dynamic random access memory (DRAM) chips in the fall of 1996, company officials said. For the time being, the production target will be 15,000 chips a month measured on an 8-inch basis, they said.

The company will be capitalized at about 32 billion yen, with Mitsubishi and Kanematsu holding around 30 percent of the stake. The rest will be held by Taiwanese partners, which include the company group headed by personal computer company Umax Data Systems Inc.

Taiwan is one of the important footholds for international personal computer makers where the latest technological know-how is gathered. Mitsubishi is hoping to make use of the country's assets in its semiconductor development and to catch up in the memory- related business, industry sources said.

Dependence on Mideast Oil Worries MITI

OW1211104294 Tokyo KYODO in English 1017 GMT 12 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 12 KYODO—Japan's increasing dependence on the politically volatile Middle East for its crude oil supplies is a cause of serious concern, Japanese Government officials said Saturday [12 November].

The Ministry of International Trade and Industry (MITI) said 78.2 percent of Japan's crude oil imports in the January-June period of this year came from the Middle East, higher than the 78.1 percent of imports at the time of the global oil crisis in 1973.

The officials said crude oil imports from the Middle East dropped to the 60-70 percent range in the late 1980s as Japan promoted the development of alternative sources of energy to reduce its dependence on oil.

But they said the percentage has kept rising in recent years since Japanese oil companies have increased imports f low-cost oil from the Middle East and reduced imports from Asia.

The two major Asian oil-producing ations, China and Indonesia, have also reduced crude exports to satisfy domestic needs arising from their economic expansion, the officials said.

They 3id that, as a result, the amount of Japan's oil imports from the Middle East are likely to top 80 percent of total crude oil imports In the coming years.

However, the Japanese Government's long-term forecast of energy supply and demand, published lastJune, failed to mention its long- standing policy?]?reducing dependence on oil, especially Middle East crude.

Assistance for Poland Privatizing State Firms

OW1111092494 Tokyo KYODO in English 0853 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Yamaichi Securities Co. and Mitsubishi Corp. have reached basic agreement with Poland to help the former socialist nation privatize state-run companies through funds raised by Polish investment trusts, a Yamaichi official said Friday [11 November].

Under the agreement, Yamaichi will provide local companies with information on operating corporations after going public, the official said.

Yamaichi, the first Japanese brokerage firm to support Poland's privatization, plans to open a representative office in Warsaw after the final agreement is inked in the near future.

According to the scheme, equities of privatized companies will be held by residents in investment trusts. Money obtained from selling such financial products will be traded at a stock exchange in Warsaw.

Mitsubishi, Japan's leading trading firm, will help the privatized companies invest in machines and other facilities.

Yamaichi wants to start investment trust trading for stocks of 460 state-run companies in the fields of machinery and textile manufacturers, he added.

MITI Poll: Strong Yen Hurting Small Firms

OW1111125294 Tokyo KYODO in English 1155 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—Most small companies complained of declining orders resulting from the hollowing-out of the domestic industry in the wake of the strong yen, a government agency reported Friday [11 November].

The small and medium enterprise agency of the Ministry of International Trade and Industry said the report is based on a survey of small companies, mostly subcontractors.

The poll showed that 77 percent of respondents reported that the volume of orders fell over the past year as parent firms moved their production facilities overseas or began procurement from foreign suppliers.

Forty-eight percent predicted a further slip in orders in the next year, the agency said.

The survey showed that the structural change in the domestic industry will deal a heavier blow to small enterprises in the future, ministry officials said.

Sixty percent of the respondents said orders from parent companies decreased because of plant relocations overseas, and 76 percent said parent firms did not consult them beforehand on the relocation plans, the officials said.

The officials said 10 percent to 15 percent of small companies reported that the quality of imported and domestic goods is about the same, indicating that overseas makers have boosted competitive power in the international market.

MOF: Postal Savings' Interest Rate Hike Agreed

OW1111050494 Tokyo KYODO in English 0443 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The Finance Ministry has agreed to a Ministry of Posts and Telecommunications plan to raise the interest rate on ordinary postal savings, ministry sources said Friday [11 November].

The development caps a row that sparked last week between the ministries over the proposed 0.03 percentage point hike in the postal savings' interest rate to 1.35 percent, a higher rate than that for demand deposits offered by banks.

The Finance Ministry, worried about a possible flow of funds from bank deposits to postal savings, had been blocking the proposed hike despite liberalization of interest rates implemented in mid-October.

The postal savings' interest rate hike, which is scheduled to be announced later in the day, will take effect next Monday, according to the sources.

Lower House Passes Proposed Tax Reform Bills

OW1111073594 Tokyo KYODO in English 0717 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The House of Representatives passed the government-proposed package of tax reform bills at a plenary session Friday [11 November] after the ruling and opposition camps concluded debates at the lower house special committee on tax reform.

The tax reform package cleared the plenary session following debates at the special tax committee to confirm the committee's vote on the bills on Wednesday.

The tax reform bills call for raising the current 3 percent consumption tax to 5 percent in April 1997 to cover the revenue loss resulting from extended cuts in income taxes and residential taxes worth an annual 5.5 trillion yen.

The bills will be sent to the House of Councillors for final approval.

The three ruling parties rammed the package through the committee Wednesday, but opposition parties demanded that the committee's vote on the bills be rescinded.

On Thursday, the major opposition alliance Kaikaku (Renovation) submitted a motion of no-confidence on committee chairman Osamu Takatori.

Lower house Speaker Takako Doi then presented a mediation plan urging Kaikaku to withdraw the motion and proposing to hold the additional debate.

Impact on Workers' Burden

OW1211085294 Tokyo KYODO in English 0833 GMT 12 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 12 KYODO—In spite of the new income tax cut, tax and pension premium burdens are likely to be heavier for office workers with an annual income of less than 10 million yen in 1997, a private think tank said Saturday [12 November].

The House of Representatives approved Friday a package of four tax reform bills that will trim 5.5 trillion yen of income and resident taxes for at least one year. The tax reform bills will become law after passing through the second chamber, the House of Councillors.

At the same time, however, the bills will raise the 3 percent consumption tax to 5 percent in 1997. Moreover, a pension reform bill, which passed the Diet on Nov. 2, calls for increasing the ratio of insurance premiums to wages.

The tax cut will be offset by the consumption tax hike and the increase in pension insurance premiums by 1997, said Sumitomo-Life Research Institute Inc., affiliated with Sumitomo Life Insurance Co.

The government says it is aiming to use the tax reform to lighten the tax burden of medium-level income earners, but their burden is likely to be heavier due partly to the pension reform.

As [illegible]ome of high-level wage earners is expected to rise further in the wake of these reforms, the government is expected to face criticism over its good treatment of such people, an analyst at the institute said.

In the case of a household with parents and two children with an annual income of less than 3 million yen, the think tank said that the combined amount of income, residential and consumption taxes an? pension premiums will increase from 1995.

In the same type of household with an annual income of more than 4 million yen, the combined amount of taxes and pension premium burden will fall in 1995, the think tank said. For a household with an annual income of 5 million yen, for example, the amount is projected to decrease by 12,000 yen to 721,000 yen in 1995, according to the institute.

But the think tank added that the taxes and pension premium burden will be heavier in the case of all households with annual incomes of less than 10 million yen in 1997, when the consumption tax will be increased to 5 percent.

In 1997, for example, households with an annual income of 5 million yen will have to pay 823,000 yen in taxes and pension premiums, up 89,000 yen, it said.

On the other hand, the reforms are sure to be in favor of households with annual income of more than 12 million yen. In the case of households with annual income of 15 million yen, the taxes and pension premium burden will fall by 303,000 yen to 3.98 million yen in 1997.

This is mainly because the lower income levels become, the higher the ratio of consumption tax payments to annual income will be, while monthly pension premiums will remain the same for office workers with monthly income of more than 590,000 yen, the think tank said.

It is unfair that with or without children, one is asked to pay the same amount of pension insurance premiums, the analyst said. "It is a real reform to reduce pension premium burdens for households having children."

SDF Overseas Rescue Operations Bill Becomes Law

OW1111021394 Tokyo KYODO in English 0152 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—The Diet enacted Friday [11 November] a bill allowing the Self-Defense Forces (SDF) to conduct airborne missions to rescue Japanese overseas in emergency situations.

In a plenary session Friday, the House of Councillors approved the bill, which was already passed by the more powerful House of Representatives.

The cabinet of Prime Minister Tomiichi Murayama will decide Tuesday on the promulgation of the revised Self-Defense Forces Law for implementation from as early as Nov. 18, officials said.

The Diet approval of the bill, with support from all parties but the Japanese Communist Party and a minor left-wing group, followed nearly three years of discussions.

The amendment to the SDF law was first submitted in March 1992 by the cabinet of then Prime Minister Kiichi Miyazawa.

The amendment abds a provision to the law allowing SDF rescue missions using aircraft in emergency cases, such as riots in foreign countries.

The provision requires that the foreign minister and the Defense Agency director general agree on the safety of the mission before it is ordered.

The revision clears the way for the dispatch of SDF aircraft overseas to rescue Japanese.

Murayama has pledged to make decisions on such SDF missions in cabinet meetings whenever possible, although the law empowers the Defense Agency chief to order the missions after consultation with the foreign minister, without needing permission from the cabinet or premier.

The bill passed the House of Representatives during the Miyazawa administration, but was killed while it was being discussed in the upper house due to the dissolution of the lower house.

In November last year, the cabinet of then Prime Minister Morihiro Hosokawa resubmitted the bill to the Diet with some modifications.

Poll: 39 Percent Supporting Murayama Cabinet

OW1411024594 Tokyo ASAHI SHIMBUN in Japanese 9 Nov 94 Morning Edition p 1

[FBIS Translated Text] ASAHI SHIMBUN conducted a nationwide public opinion poll for two days, 6-7 November, surveying 3,000 voters about the Murayama Cabinet. The results of the poll showed 39 percent of the voters surveyed supported the Murayama Cabinet and 38 percent not supporting the cabinet. In this way, nearly the same percentage of voters was found to support and not support the Murayama Cabinet. A bill on the demarcation of single-seat constituency for the House of Representatives is expected to pass in the Diet in November. Asked to comment on the new House of Representatives electoral system, 49 percent of the voters said, "There is no need to hurriedly put the new electoral system into effect" whereas more than 39 percent said, "The electoral system should be put into effect as soon as possible." Thus, a large number of the voters strongly hoped for early general elections.

In the July poll taken shortly after the Murayama Cabinet was inaugurated, 35 percent of the voters supported the Murayama Cabinet whereas 44 percent did not. In the September poll, however, 40 percent of the voters supported the cabinet while 36 percent of them did not support it, showing a reversal from the previous poll.

The reason for a slight rise in the percentage of nonsupport was that the percentage of the voters who supported both the ruling Liberal Democratic Party and the Murayama Cabinet fell from 46 to 43 percent in the September poll and the percentage of the voters who did not support the Murayama Cabinet rose from 29 to 35 percent in the September poll. In the previous poll, a high percentage of the voters in their 50s and 60s supported the Murayama Cabinet, but their support in the latest poll declined.

Asked about the prime minister's leadership, 49 percent of the voters said, "We highly rate his leadership" while 47 percent said, "We do not highly rate his leadership." In this way, nearly half of the voters highly rated the prime minister's leadership. Those voters appear to have supported the Murayama Cabinet in the latest poll.

Asked to comment on a tax reform bill that incorporates tax cuts and the consumption tax increase three years later, 28 percent of the voters were for the bill and 65 percent were against it.

Murayama Says No Early Election, Cabinet Reshuffle

OW1411014794 Tokyo KYODO in English 0137 GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 14 KYODO—Japanese Prime Minister Tomiichi Murayama said Sunday night there will be no early general election or cabinet reshuffle, stressing the need to avoid a "political vacuum."

Murayama, speaking in Jakarta to Japanese reporters accompanying him for an informal meeting of Asia-Pacific leaders, said a general election is not necessary because voters will have a chance to express their opinions in a series of local government elections in April and a House of Councillors election in mid-1995.

The opposition camp is demanding an early election under a new electoral system replacing the current system of multiseat constituencies with one that combines single-seat electorates and proportional representation. The House of Representatives passed a set of bills including one for the new election system and the upper house is now acting on the package.

"I am not considering dissolving (the lower house) soon simply because a new election system is in place," said Murayama, Japan's first socialist premier in nearly half a century. His Social Democratic Party (SDP) [Social Democratic Party of Japan-SDPJ] forged a coalition with its Cold War archrival Liberal Democratic Party (LDP) in June.

Murayama, 70, also brushed aside a possible cabinet reshuffle, sought by some coalition members. "Four months have barely passed since its inauguration. I have no reshuffling plan," he said. Japan's cabinet is often reshuffled annually.

Murayama played down moves among right-wing and centrist SDP lawmakers to set up a new party comprising "democrats and liberals" including those from other parties of both ruling and opposition sides. He expressed doubt that the group, calling itself the New Democratic League, is solidly united on the direction of the proposed party.

SDP Secretary General Wataru Kubo is advocating the formation of a new party broadly based along the lines of the right-center group as all noncommunist opposition parties are preparing to be merged into a grand new party on Dec.10.

The SDP "is not going to be split" to the extent of undermining the governing alliance, Murayama said. "There is a united voice within the party calling for development into a new party," he said, adding that he wants the matter to be discussed by the party's official machinery.

The era of a coalition government will continue for some time and it is doubtful parties will be forced into one, he said. Murayama also said the current Diet session due to end Dec. 3 will not be extended and that the government will have a tax reform package and bills on the Uruguay round accord on freer world trade passed within the session. Murayama also told reporters he is planning to visit Washington and Beijing in the new year.

Ozawa on New Party Concept, Foreign Policy

OW1111112594

[FBIS Editorial Report] Tokyo NHK General TV Network in Japanese at 0002 GMT on 6 November, in its "Sunday Discussion" program, carries a 49-minute interview with Shinseito Secretary General Ichiro Ozawa by NHK commentator Takashi Yamamoto, freelance commentator Naoki Tanaka, and magazine chief editor Michiko Shimamori at a NHK studio in Tokyo.

At 0002 GMT, Yamamoto begins the interview by asking why Ozawa so strongly insists on achieving political reform. Ozawa replies: "Politicians' main task is to realize people's wishes for everlasting peace and prosperity. To that end, Japan needs to change itself to cooperate with the international community, which has undergone drastic changes." He then criticizes the ruling coalition parties, saying: "Although they also stress a need for administrative reform, the ruling parties have not achieved anything yet." When Tanaka asks him about his view on deregulation, Ozawa points out the need for creating new business through deregulation so as to expand job opportunities. However, he also says: "Easing regulations on economic activities should be implemented step by step, otherwise it would adversely affect the employment issue. However, easing regulations on social and political activities must be carried out immediately for the sake of developing new businesses." Tanaka points out some politicians are reluctant to implement deregulation because of their close ties with central ministries and agencies. While acknowledging such a tendency, Ozawa says: "Lately, bureaucrats have begun to realize the need for deregulation. However, it is still difficult for them to take the initiative in promoting deregulation. Politicians must cooperate with them in easing regulations."

At 0021 GMT, the topic shifts to relations with Asian nations. Ozawa says: "Ties with Asian countries are undoubtedly important. However, Japan also needs to consider what kind of contribution it should make to the international community as a UN member. Otherwise, Japan cannot obtain Asian nations' trut."

Asked about ties with the United States, Ozawa says: "Japan-U.S. relations are the axis of Japan's foreign policy. I think the United States is wondering whether or not Japan can become its partner in dealing with pending international issues. Japan requires handling international issues from a wide viewpoint."

Ozawa explains his view on decentralization, saying: "The central government should entrust local governments with handling trade issues, such as problems relating to investment in foreign nations, so as to concentrate its efforts on diplomatic and security issues."

At 0028 GMT, the interview again focuses on the domestic political situation. Shimamori asks what kind of steps Ozawa is planning to take to eliminate people's distrust of politics. Ozawa replies: "We are now undergoing a major political shift. For example, under the single seat constituency system, each political party, as well as each politician, will have to clearly express to the people its own stand on pending issues. Also, collusive ties among politicians, business circles, and bureaucrats, are being broken down since the administration was run by a coalition system."

Concerning the report that he has great influence on political circles, Ozawa criticizes the mass media for exaggerating his image.

Asked about the meaning of Japan's political turmoil last year, he highly praises the former ruling coalition parties for paving the way to achieve political and electoral reform and concluding the GATT Uruguay Round agreement.

In replying to Shimamori's question of how he regards himself, honest man or Machiavellian, he says he would rather take the risk of easily trusting others and being deceived than cheat others.

At 0035 GMT, Yamamoto asks about the new-new party. As for the new-new party's goals, Ozawa says: "Our main objective is to establish a party capable of taking over power from the present ruling parties so as to achieve administrative and other reforms." With regard to policy differences between the present coalition parties and the new-new party, he says: "First, the new-new party will clearly express its stand on pending issues—such as the Self Defense Forces' participation in UN military activities on which the present ruling parties have not clearly expressed their views—so that we can assume full responsibility in implementing our policies. Under the new electoral system, political parties will need to clearly demonstrate their own stands on pending issues, otherwise they cannot win voters' support. Second is that we will makpositive efforts to promote reform progra ms."

Regarding the qualification for new-new party head, Ozawa says: "Needless to say, our leader must have good knowledge of, and capability of handling, political and administrative issues so that he can serve well as prime minister if we take over power from the present coalition. In addition, he must have a good personality to win people's support." However, he denies that he intends to become the new-new party head, saying he wants to concentrate on handling party affairs.

With regard to realignment of political parties, Ozawa says: "The present political parties must be realigned into at least two major parties so that they will be able to compete with each other."

Finally, asked about the possibility of early dissolution of the House of Representatives, Ozawa says: "The lower house should not necessarily be dissolved immediately. Each party must clearly express its stand on pending issues before conducting the general election." The interview ends at 0051 GMT.

Worried About Policy Groups

OW1111082894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Nov 94 Morning Edition p 2

[FBIS Translated Text] At a 10 November news conference, Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa, who is serving as chairman of the opposition parties' executive committee of the new party preparatory panel, expressed strong concern over the fact that both Komeito [Clean Government Party] and the Democratic Socialist Party [DSP] have indicated their intention to act as a policy group even after the proposed new-new party is formed.

He said: "If each party forms a closed group [within the new party], it is no longer a new party. This is not a favorable direction for the future of the new party."

Kubo Downplays Internal Split Over New Party Plan

OW1111082994 Tokyo KYODO in English 0744 GMT 11 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 11 KYODO—A senior leader of the ruling Social Democratic Party (SDP) on Friday [11 November] played down an apparently growing internal rift within the party over its future political course.

"It is our party policy that we try to unite social democratic and liberal forces and create a third axis in moves for a reconfiguration of political parties," SDP secretary general Wataru Kubo said at a news conference.

Kubo, the No. 2 man of the SDP, a partner of the tripartite coalition government, made the remark after an hourlong meeting with Prime Minister Tomiichi Murayama, who is also SDP chairman.

"There can be no difference in opinion between the chairman and I," he said, brushing aside widespread speculation that the left- wing Murayama and the right-wing Kubo are at odds over which course the SDP should take in expected political realignment.

The hastily arranged Murayama-Kubo meeting came on the heels of a news report saying a group of pro-Kubo SDP legislators will bolt to form a new party possibly on Dec. 15.

But Kubo said their get-together was not intended to deal with the matter, saying, "it is not so unusual for the SDP chairman and the secretary general to have a meeting."

Murayama and Kubo agreed to take time out of their busy schedules and meet at least once a week to exchange views of mutual concern, he added.

The pro-Kubo group, headed by former SDP chairman Sadao Yamahana, has been stigmatized by Murayama supporters as an element that could lead to the collapse of the SDP and the Murayama administration.

Early Withdrawal of Democrats From SDPJ Urged

OW1411011394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 2

[FBIS Translated Text] Sadao Yamahana, chairman of the Social Democratic Party of Japan's [SDPJ] policy group "New Democratic Alliance [Shin Minshu Rengo—NDA]," called for NDA members to breakaway from the SDPJ following the end of the ongoing Diet session in December. On the evening of 8 November, NDA members met with SDPJ executives at a Tokyo hotel to discuss SDPJ Secretary General Wataru Kubo's proposal for a new party of democratic liberals. Yamahana's positive attitude toward early action for the new party is likely to accelerate the SDPJ's breakup.

At the meeting, Yamahana supported NDA Assistant Director Akihiro Ohata who called for NDA members to breakaway from the SDPJ before the opposition merger on 10 December. Ohata said the NDA "should seek a new party" in a tie-up with liberals such as Banri Kaieda of the Japan New Party.

On the other hand, dietmen from the All Japan Prefectural and Municipal Workers' Union [a pro-Murayama group], such as NDA Assistant Director Junsuke Iwata and SDPJ Deputy Secretary General Masanori Goto, candidly opposed the separatists, saying: "We oppose an early breakaway because we have no partners outside the party, and our action may ruin the SDPJ-led administration."

Among SDPJ leaders who attended the meeting were Secretary General Kubo, Policy Board Chairman Nobuyuki Sekiyama, and Diet Administration Committee Chairman Churyo Morii. However, Secretary General Kubo reportedly made no comment on the separatists' remarks.

SDPJ's Kubo Discusses New Party's Ideals

OW1411130694 Tokyo ASAHI SHIMBUN in Japanese 9 Nov 94 Morning Edition p 7

[Interview with Wataru Kubo, secretary general of the Socialist Democratic Party of Japan (SDPJ), by unidentified ASAHI SHIMBUN reporter; place and date not given]

[FBIS Translated Text]**Concept of A New Party**

[ASAHI SHIMBUN] Why do you call the new political party you have in mind the "Democratic Liberal New Party," not "Social Democratic," in spite of your call for unity between the social democratic liberal forces?

[Kubo] Because I am not going to form a third fo?ce by making social democrats take leading roles or by enlarging the periphery of the SDPJ. Rather, I want to make it a political power in which those who treasure democracy and want to see so-called liberal politics practiced can, in a broad sense, participate. I do not foresee any major opposition within the SDPJ to the concept.

[ASAHI SHIMBUN] You are not going to discard social democracy, are you?

[Kubo] Of course not. I would have to resign as the SDPJ's secretary general if the principle of social democracy is thrown away.

[ASAHI SHIMBUN] What are the new party's ideals?

[Kubo] Its most fundamental ideals will be the "pursuance of peace" and the "materialization of justice." Details can be decided through debates within and outside the party.

[ASAHI SHIMBUN] This means you will include members of the Liberal Democratic Party in the new party?

[Kubo] Anybody who adheres to the constitution's ideals, which the SDPJ since its establishment has pursued as its ideals, is welcome to join.

[ASAHI SHIMBUN] How about LDP President Yohei Kono?

[Kubo] He can share a common understanding about the constitution, but he is the LDP's president and it would be impolite of me to publicly comment on him.

[ASAHI SHIMBUN] How about former prime minister Yasuhiro Nakasone?

[Kubo] He is another case altogether. I argued with him in the Diet about who had the right to interpret the constitution and his answer can be summarized as 'those in power decide.' I think he is a politician from a different dimension to ours.

[ASAHI SHIMBUN] How about former deputy prime minister and foreign minister Michio Watanabe?

[Kubo] He may be one of those who were considered to be in a difficult position because he entertained the idea of sharing politics with the so-called socialists.

[ASAHI SHIMBUN] How about Shinseito Secretary General Ichiro Ozawa?

[Kubo] It will be difficult to have him in the same party. His opinions on the state and his views on the constitution seem to be different from mine. But this would not decisively hinder any power-sharing if there were a coalition. We have already had the experience of forming a government with Ozawa and his group.

[ASAHI SHIMBUN] Do you expect the SDPJ to split and the majority members to go to the new party?

[Kubo] Mr. Murayama shares with me the same idea and concept of forming a new political party. I am not advocating the SDPJ's split or division. And I do not expect relations with Mr. Murayama to suffer.

[ASAHI SHIMBUN] Do you intend to maintain the SDPJ's numerical power?

[Kubo] It is possible for the SDPJ members to agree to disband the present party, for the sake of a new party, and to congregate in the new party as individual politicians. But it does not mean that everything that is characteristic of the SDPJ will be carried over as it stands to the new party.

[ASAHI SHIMBUN] Is it possible for you to go along with those who are said to belong to the anti-Kubo faction?

[Kubo] Categorizing people by faction is an outdated way of thinking. This is not a quarrel among children.

[ASAHI SHIMBUN] In that case, is the first leader going to be Prime Minister Murayama?

[Kubo] It is not becoming to a truly new political party to decide from the beginning that the SDPJ's chairman will be its leader.

[ASAHI SHIMBUN] Is there a possibility that Sakigake's [Harbinger] representative Masayoshi Takemura will becoming the new head?

[Kubo] Although I cannot comment on it at this stage, his ability as a politician is worthy of appreciation.

[ASAHI SHIMBUN] What is the reason behind hastening the formation of a new party?

[Kubo] We must go into the first election under the new election system as the new party, because it will be difficult to create a new political force later.

[ASAHI SHIMBUN] Where do you expect the new party's basic support to come from?

[Kubo] I suppose the core of the support will be among the ordinary Japanese, though that may sound very abstract. It must be a political party that can represent urban salaried workers as a whole, and it must pay special attention to the position of the weak in society.

[ASAHI SHIMBUN] All political parties profess to place their emphasis on the ordinary Japanese.

[Kubo] The new political party, based on the fundamental ideals of peace and justice, will be different in the way it pursues the four policy pillars of disarmament, human rights, the environment, and welfare. Policies among all the parties are very close and have many points in common. The selection of policies and their priorities will make the difference.

[ASAHI SHIMBUN] How are your priorities different from those of the LDP?

[Kubo] The biggest difference can be found on the issues of disarmament and defense expenditure. We want to cut defense expenditure compared to the previous year as soon as possible as proof of our commitment to disarmament.

The Murayama Regime

[ASAHI SHIMBUN] The Democratic Socialist Party [DSP] and the Japan New Party [JNP] are opposition parties. If you take them into your fold, do you not think the government will become unstable?

[Kubo] Because the present coalition government is comparatively stable, I do not see any immediate need to pull it down. There are, however, various possible combinations when it comes to making a coalition combination. The tripartite coalition of the LDP, the SDPJ and Sakigake is not the only one.

[ASAHI SHIMBUN] Do you not think that the creation of a new political party may result in the collapse of the present government?

[Kubo] It cannot be helped if the coalition partners do not want to share political power with third political force, but I do not think that will happen.

[ASAHI SHIMBUN] How do you rate the Murayama regime?

[Kubo] As a matter of fact, I have many times thought of resigning as SDPJ secretary general since the formation of the coalition government. It is currently enjoying smooth sailing, contrary to initial predictions. Any increase in its support rate will depend largely on how the new budget will be formulated for the next fiscal year.

Dissolution of the Lower House and a Cabinet Reshuffle

[ASAHI SHIMBUN] Do you think the early dissolution of the House of Representatives is necessary?

[Kubo] We should avoid creating a political vacuum or confusion by holding elections at the time when the Japanese economy is about to take off from the bottom of a trough. Now is not the time to dissolve the lower house. That does not mean dissolution is out of the question. If dissolution is determined necessary, we must go ahead with it.

[ASAHI SHIMBUN] Do you see any probability of a cabinet reshuffle after the extraordinary Diet session?

[Kubo] No, absolutely not and there is no reason why there should be. After the LDP postponed its election of party officials from September to January next year, there has been increased speculation about a cabinet reshuffle, but I do not think that even the LDP wants a change in the cabinet.

[ASAHI SHIMBUN] Do you intend to be a member of the cabinet?

[Kubo] I have no such intention, even if a cabinet reshuffle takes place.

Upper House Deliberating Political Reform Bills

OW1411061994 Tokyo KYODO in English 0612 GMT 14 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO—The House of Councillors started Monday [14 November] deliberations of a package of three political reform bills, which went through the House of Representatives earlier in the month and are aimed at overhauling Japan's political and electoral systems.

The upper house Special Committee on Political Reform discussed the bills comprising an electoral district demarcation bill, an anticorruption bill to tighten up measures for illegal acts during election campaigns and a party redefinition bill to facilitate the receipt of taxpayers' money by political parties.

The powerful lower house passed all three bills Nov. 2 and the bills are expected to become laws later in the month, following deliberations at the upper house, and should be implemented in December after a one-month public notification period.

The package of political reform bills chiefly features the introduction of a new electoral system combining 300 single-seat districts and proportional representation that elects the remaining 200 seats for the lower house, replacing the current multiseat constituencies.

Bill To Give Local Vote to Foreigners Considered

OW1211114994 Tokyo KYODO in English 1014 GMT 12 Nov 94

[FBIS Transcribed Text] Matsue, Japan, Nov. 12 KYODO—A local chapter of the ruling New Party Sakigake [Harbinger] will draft a bill granting voting rights to non-Japanese residents in local elections, while the national party will work for its adoption by the Diet, party officials said Saturday [12 November].

The party branch in Shimane Prefecture, western Japan, unveiled details of the proposal at an open forum on the issue.

The two other governing coalition parties, the Liberal Democratic and Social Democratic parties, as well as opposition Komeito and the Democratic Socialist Party, all agree that granting suffrage to foreigners who are permanent residents in Japan is an issue which should be examined.

However, the decision by Sakigake is the first concrete move by a political party toward granting such a right. Party officials said Sakigake will spearhead an attempt by a nonpartisan group of Diet members to have the bill adopted.

The Shimane chapter of the party decided in January to allow foreign residents to become members of the party and so far more than 50 foreigners have joined it.

Although Japan's local government act prohibits foreign residents from voting, at least 66 local assemblies have so far adopted resolutions urging the granting of such a right.

Under the Sakigake proposal, which would require a change in the law, foreigners who have lived in Japan for more than five years and have been granted "permanent resident" status would be entitled to vote in local elections.

The Supreme Court has so far ruled that current legislation restricting voting rights to Japanese nationals is constitutional. But in June 1993, and again in January this year, although district courts in Fukui and Osaka quashed suits brought by foreign residents demanding voting rights, they both ruled that the issue is a matter to be decided by legislation.

Several European countries, including Sweden and the Netherlands, allow foreign nationals to vote in local elections.

In October, the Kawasaki Municipal Assembly in Kanagawa Prefecture announced it will establish a panel of non-Japanese residents to add their voice to local policy-making.

Meanwhile, many foreign residents complain of the injustice of having to pay taxes while not being allowed to have a say in town and city assemblies which often make decisions directly affecting the daily lives of local people.

According to the Justice Ministry, some 1.32 million foreigners were living in Japan at the end of 1993. Over half, about 680,000 people, are Koreans, most of whom are Japan-born descendants of those brought to Japan during World War II to undertake forced labor.

North Korea

Arrival of U.S. Experts' Delegation Reported

SK1211230994 Pyongyang KCNA in English 2250 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)— A delegation of experts of the United States arrived here today by air to participate in the DPRK-U.S. experts' negotiations on the safe storage of spent fuel.

The negotiations will be held in Pyongyang from November 12 to 19.

North-U.S. Experts' Negotiations Open 14 Nov

SK1411103894 Pyongyang KCNA in English 1032 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Negotiations between DPRK and U.S. experts on the safe storage of spent fuel opened here today.

Led by Norman Wulf, Yi Sang-kun

SK1411124694 Pyongyang Korean Central Broadcasting Network in Korean 1214 GMT 14 Nov 94

[FBIS Translated Text] DPRK and U.S. experts have begun negotiations on the safe storage of spent fuel. According to the DPRK-U.S. agreed framework announced in Geneva on 21 October, our country's delegation led by Yi Sang-kun, head of the Radiochemical Research Institution of the Nuclear Power Research Center and the U.S. delegation led by Norman Wulf, assistant director of the U.S. Nonproliferation and Arms Control Bureau, began in Pyongyang today expert-level negotiations on the safe storage of spent fuel.

In the negotiations, exchanges of opinions on scientific and technological problems regarding the safe storage of spent fuel are being held productively [saengsanjogigo] and advantageously [yuikhage] in an open-minded atmosphere [hosimtanhoehan punwigi].

Kim Yong-sam Remarks on U.S.-North Talks Noted

SK1211043294 Pyongyang KCNA in English 0418 GMT 12 Nov 94

["Traitor Must Be Punished"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The traitor Kim Yong-sam in a recent interview with the Australian paper AUSTRALIAN uttered a perverse rigmarole that the nuclear negotiations between the North and the United States are not completely satisfactory and not the best solution, according to a radio report from Seoul.

This was a very sinister act of throwing a wet blanket over the DPRK-USA agreed framework which was signed with much difficulty. It betrayed the foul intention of the puppets to put the brakes on the implementation of the agreed framework, disliking it.

The traitor Kim Yong-sam clique made a noisy play of all ugly phrases from the beginning in a bid to frustrate the DPRK-USA talks.

The South Korean rulers, who had persistently obstructed the progress of the talks by crying for "special inspections", were thrown into a state of thorough discomfiture when the talks entered the stage of conclusion and made a desperate effort to foil it, even setting up the principle of "nuclear transparency first and provision of light water reactors next."

The puppets, still out of their mind, are attempting overtly and covertly to obstruct the implementation of the agreed framework. This shows well that the Kim Yong-sam clique are unequalled traitors and warmaniacs who pursue only a total confrontation to isolate and stifle our Republic.

The Kim Yong-sam clique, the cause of the trouble to the fellow countrymen and traitor to the nation, must be punished.

CPRF Denounces Economic Cooperation Overture

SK1111012694 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Nov 94

[FBIS Translated Text] A spokesman for the Committee for the Peaceful Reunification of the Fatherland [CPRF] on 10 November issued the following press statement rejecting [paegyokhanun] the North-South economic cooperation proposal which the Kim Yong-sam puppet clique raved about recently.

A press statement by a spokesman for the CPRF:

On 7 November, Kim Yong-sam put forth a so-called North-South economic cooperation plan to face the world [segyerul hyanghan]. Babbling about an era of reconciliation and cooperation and an economic community [kyongje kongdongche], he raved that he will take step-by-step measures to activate North-South economic cooperation.

Mobilizing the government-patronized press, the South Korean authorities are embellishing it as if it marked a turning point in a change in policy. However, the fact that traitor Kim Yong-sam raved about North-South economic cooperation and made a gesture for reconciliation was a mere drama aimed at tiding over the internal and external isolation and crisis and a self-admission that the policy of confrontation he has pursued so far has been a failure.

His economic cooperation plan does not include any specific contents, nor does it have anything new. As for economic cooperation, good, written agreements were made containing comprehensive plans for cooperation and exchange in various social fields, including the economic field, between the North and the South before Kim Yong-sam came into power, with the creation of organizations such as the North-South joint committees for economic, social, and cultural fields.

If these organizations for joint cooperation and exchange had smoothly begun operations according to the agreement reached between the two sides, cooperation and exchange would by now have been pushed ahead in a full-fledged manner between the North and the South not only in the economic fields but in the social and cultural fields as well, thus making momentous advance in expediting the country's reunification.

However, over the last two years, the North and the South have not been able to put into proper practice any of the historic agreements for economic cooperation and exchange which they had adopted and effectuated and for the implementation of which they had formed joint organizations. Rather, the situation was reversed to the acute phase of confrontation before the dialogue.

The consequence brought about by this development in North-South relations was really significant, and the loss our nation suffered is very grave. The South Korean ruling bunch is totally responsible for this.

As has been well known, the Kim Yong-sam ring threw away like an old shoe the assertion for giving prior importance to the nation which it proclaimed in the so-called inaugural speech; resumed the 'Team Spirit' joint military exercise, a large-scale nuclear war exercise, in collusion with outside forces; unilaterally and totally froze North-South dialogue following the nuclear commotions staged by outside forces; and virtually scrapped the North-South agreement itself.

They not only totally rejected the economic cooperation and improvement of relations between the North and the South, setting the settlement of the nuclear issue as a precondition, but persistently led the North-South relations to the worst phase, launching themselves as a shock brigade into the sanctions commotions aimed at harming their fellow countrymen.

Furthermore, when all fellow countrymen were filled with unprecedentedly deep sorrow by the loss of the respected leader Comrade Kim Il-song, the father of the nation, the traitor Kim Yong-sam personally handed out an emergency alert order to the whole Army, instead of offering condolences by observing the proprieties, leveling guns at the hearts of fellow countrymen, and arresting and detaining the South Korean people who expressed condolences. Thus, he committed a never-to-be-pardoned grave antihumane and antinational crime.

By infringing upon the precious agreement reached by both sides, Kim Yong-sam ignored the improvement in North-South relations and even comprehensively blocked economic cooperation and exchanges. Thus, he only frantically ran amok to crush us, with the help of outside forces. Today, all of a sudden, he gives a smile to us. This is indeed disgusting [yokkyoun irida].

In view of his past acts and remarks, he is not entitled to discuss so-called cooperation and reconciliation, nor is there a person who accepts the smile he gave belatedly.

Even at this moment, when Kim Yong-sam himself babbles about economic cooperation and advocates reconciliation and cooperation, war exercises, including a joint military exercise, are being staged in South Korea against us. Amid bayonets wielded under the new security-oriented political climate, which lays the blame at our door, the people from all walks of life, including youth and students, have been bestially oppressed on charges of violation of the National Security Law.

Under this situation, who on earth would trust the remarks made by Kim Yong-sam about reconciliation, cooperation, and so forth?

If the Kim Yong-sam group truly wants cooperation and reconciliation between the North and the South, it should show the particulars of its position through action, so that the people of the world are convinced, instead of attempting to ridicule public opinion with empty words.

Kim Yong-sam should deservedly make an apology to the nation for his past grave anti-independence and antinational crimes of pursuing an anti-North confrontation policy during his term of office, of pushing North-South relations too far backward, and of applying the brakes on achieving the cause of national reunification.

Today, the basic stumbling block in improving North-South relations is the South Korean National Security Law, which defined us as an antinational organization and regards contact with, and visits to us as a crime.

The history of North-South relations up to the present clearly illustrates what serious consequences the National Security Law brought about in North-South reconciliation and national reunification.

Remarks made on the so-called reconciliation, cooperation, and so forth by leaving the National Security Law intact are merely empty words.

We strongly maintain that the National Security Law should be abolished in South Korea at an early date so that cooperation and exchanges between the North and the South be realized substantively based on mutual trust.

The Kim Yong-sam group should clearly know that even with inconsistent and contradictory remarks that it will do something, it can never clear itself from the grave crime committed before the nation.

Said 'Gesture of Reconciliation'

SK1111045394 Pyongyang KCNA in English 0443 GMT 11 Nov 94

["CPRF Spokesman Rejects 'Economic Cooperation Proposal' of Kim Yong-sam "—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The traitor Kim Yong-sam made a gesture of "reconciliation", crying for "economic cooperation between the North and the South". This was a drama for saving himself from the isolation and crisis at home and abroad. It meant that he admitted the bankruptcy of confrontation policy he had sought. There was nothing concrete and new.

So said the spokesman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in a statement on November 10.

The spokesman further said:

As for economic cooperation, good agreements containing a package of programs for cooperation and exchange in all social fields including the economic sector had already been adopted between the North and the South and such mechanisms as joint committees for inter-Korean economic, social and cultural spheres which would take charge of this work had been formed between the two parts of the country before Kim Yong-sam took office.

Kim Yong-sam who had unilaterally and totally frozen the dialogues between the North and the South and virtually reduced the North-South agreement to a sheet of paper, following outside forces in the row over the "nuclear issue", suddenly smiled at the North. This is disgusting.

In view of the past deeds of Kim Yong-sam, he has got no face to talk about "cooperation" and "reconciliation" and nobody will respond to his belated smile.

If the Kim Yong-sam group truly wants cooperation and reconciliation between the North and the South, he should not try to fool public opinion by empty words but show the change of his position in practice understandable to the public.

Kim Yong-sam must apologize to the nation for his grave crimes against independence and the nation in pushing the inter-Korean relations far backward and putting brakes on the achievement of the cause of national reunification by pursuing a confrontational policy toward the North during his office.

The "National Security Law" in South Korea is a major stumbling- block lying in the way of the improvement of the relations between the North and the South. It is nothing but an empty word to talk about "cooperation" and "reconciliation", leaving the "National Security Law" as it is.

We strongly hold that the "National Security Law" must be repealed in South Korea at an early date so that substantial cooperation and exchange between the North and the South may be realised on the basis of mutual trust.

Papers on ROK Proposal for Economic Cooperation

SK1211102394 Pyongyang KCNA in English 1010 GMT 12 Nov 94

["Pyongyang Papers Reject 'Proposal of South-North Economic Cooperation'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Pyongyang papers today reject the "proposal of South-North economic cooperation" brought forward by Kim Yong-sam of South Korea. They say it means that he recognized the debacle of his treacherous confrontation policy against the North and it contains nothing concrete or new and is not worth a passing note.

In a commentary titled "Where Has He Got the Face To Talk About 'Cooperation'?" NODONG SINMUN says Kim Yong-sam's "proposal of cooperation" does not include any concrete program to develop North- South economic cooperation. It is intended for a propaganda effect, the analyst notes, and continues: Though the traitor Kim Yong-sam twanged the harp of "economic cooperation" between the North and the South, he has no intention at all to carry it into practice. This is proved by the fact that the puppets are rendering the situation strained through all kinds of war exercises.

Economic cooperation is impossible when confrontation and tension are growing acute and guns are roaring in war exercises. And, even if it is realized, a desirable success cannot be expected.

It is a mockery of the entire nation for Kim Yong-sam to trumpet about "economic cooperation" without the least intention for reconciliation and cooperation with fellow countrymen.

We have a lot of accounts to settle with Kim Yong-sam. Our people still grind their teeth at the barbarous acts of the traitor Kim Yong-sam in leveling guns at their painful hearts when they lost the fatherly leader and in ruthlessly suppressing the South Korean people who wanted to observe etiquette by mourning for him. And our people cannot repress their resentment at the Kim Yong-sam group's acts against independence and the nation.

If Kim Yong-sam has the intention to have dialogue and cooperation with us, he must begin with clearly apologizing for his most heinous crimes against the country and the nation and immediately abolishing the National Security Law that blocks the contact, dialogue and exchange between the North and the South.

A MINJU CHOSON commentary captioned "Confrontation and Cooperation Are Incompatible" says it is an empty talk for the traitor Kim Yong-sam to mumble about "cooperation" and "reconciliation" while inciting North-South confrontation.

ROK's Proposal Denounced as 'Hypocritical'

SK1111145994 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 10 Nov 94

[Commentary by Kim Ho-sam: "A Hypocritical Advertisement"]

[FBIS Translated Text] In a meeting with South Korean businessmen on 7 November, the traitor Kim Yong-sam made a speech under the so-called title "Measures for South-North Economic Cooperation Toward the World." In this speech, he talked about allowing South Korean businessmen to visit the North, the activation of economic cooperation, and even phased measures toward this, mentioning a national economic community, the foundation of economic cooperation, and the like.

The so-called measures for South-North economic cooperation put forward by the traitor Kim Yong-sam are, in nature, a cunning trick to ward off his isolation at home and abroad and to ward off the extreme power crisis, and is nothing more than a hypocritical advertisement [wisonjogin kwanggo].

As everyone knows, for almost two years since assuming power, the traitor Kim Yong-sam has been confused, depending upon outside forces, and without any consistent stand or policy on domestic and foreign affairs as well as on North Korea. Today he has nothing to reap, and the puppet authorities are now faced with all-out ruin of their policy [chigumun koeroe tanggugui chongchaegi chongpasan toege toeossumnida].

The reform and opening-up policy upheld by the Kim Yong-sam group has failed, and the people have fallen into extreme distress and are under pressure from heavy debts. South Korea's trade deficit with Japan for the first half of this year totalled $5 billion. Moreover, regarding its policy toward the North after grasping power, the Kim Yong-sam group busied itself with completely blocking North-South relations and with making efforts to place sanctions against the North, using every means. However, it received a cold shoulder from, and has been kicked out by, its master, being frustrated in its attempts. Thus, the Kim Yong-sam group has been reduced to an outcast [kaebabe totori sinse] and continues to have extreme misgivings.

What the Kim Yong-sam group has newly drawn up to escape from this crisis, is the so-called measures of South-North economic cooperation. They are trying to shift public criticism from themselves at home and abroad to somewhere else, and are trying to escape from the power crisis by using this advertisement.

Why then has the traitor Kim Yong-sam put forward this hypocritical advertisement at this moment? Above all, it is linked with the situation at home and abroad, that is becoming more disadvantageous for his group. As has already been reported, the DPRK and the United States have recently adopted and announced an agreed framework featuring the complete solution of the nuclear problem on the Korean peninsula and the complete normalization of political and economic relations between the two countries.

This was a deadly blow to the Kim Yong-sam group, which had been damaged by confrontation with us; the Kim Yong-sam group felt it would be even more isolated from, and opposed by, the international community if it adhered to confrontation with the North.

Thus, by a conjuring trick of adjusting its policy toward the North, the traitor Kim Yong-sam has attempted to delude people into believing that the direction of its policy toward the North has changed. This means virtual all-out ruin of the policy toward the North adhered to by the Kim Yong-sam group.

The next reason the traitor Kim Yong-sam came forth with the measure for new South-North economic cooperation was to soothe the dissatisfaction of the South Korean monopolistic conglomerates who are demanding advances overseas, pretending to comply with their demands by casting a sheep's eye toward them. However, Kim Yong-sam cannot hide this deceitful true nature with any kind of hypocritical advertisement.

The rascal babbled, as if providing a basic framework for economic cooperation is inevitable for the so-called development of the national economy. Multifaceted cooperation between the North and South is not being carried out because there is no such framework.

An agreement on cooperation has already been provided for in the economic field between the North and South, and there is an organization similar to the North-South joint exchange committee. The reason North-South cooperation is not being carried out is because the South does not truly rule from a position of national independence, and does not rule from a correct position of promoting the nation's unified development.

Up until now, the Kim Yong-sam ring only paid lip service to cooperation. In reality, the Kim Yong-sam ring does not want it, but has entirely prevented North-South relations and has moved along the road of confrontation and war. The recently held 'Eagle-94' exercise is a representative example.

If the South Korean puppet truly wants North-South economic cooperation while simultaneously heralding the nuclear issue, he must apologize before the nation for his responsibility in stalling North-South relations, and must immediately abolish the notorious National Security Law, which is a stumbling block to improving relations.

He must also come forth and resolve the issue of separated families. This is an issue which was already agreed upon at the eighth North-South high-level talks. At that time, the Agency for National Security Planning [NSP] interfered, thus ensuring its failure. Since then, the delegates' contact on this issue was also ruptured due to the obstructive maneuvers of the puppet NSP. Thus, if Kim Yong-sam is to ask who is to be held responsible, he should not ask us, but ask the puppet NSP. This is true with the issue of social and cultural exchanges, which he also put forth.

Recently we reconstructed the Tangun Tomb for the founder of the nation, and sent a letter to South Korean political parties, organizations, and individuals inviting them to the completion ceremony. This ceremony was indeed a great cultural event that must be carried out under the common name of the nation with all fellow countrymen from the North, South, and overseas.

However, the traitor Kim Yong-sam prevented the attendance by South Korean figures from all walks of life who were trying to visit North Korea to participate in the completion ceremony of the reconstruction of the tomb of the Korean nation's original founder. How can such scoundrels dare to talk about social and cultural exchange?

Since taking power, the traitor Kim Yong-sam has abandoned the people at home and abroad, and is now being driven to the end of a cliff as a nation-selling treacherous ruling state. He is under the impression of attempting to do something by using shallow schemes. However, he has fully revealed this is nothing but a deceitful drama with no true intentions.

If the traitor Kim Yong-sam truly wants to improve South-North relations, he must immediately abolish various vicious laws, including the National Security Law, which is the greatest stumbling block. This is a fundamental prerequisite in North-South cooperation and improving relations.

ROK's National Security Law Criticized

SK1411104394 Pyongyang KCNA in English 1031 GMT 14 Nov 94

["Antireunification 'National Security Law' Must Be Scrapped"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—As long as the traitor Kim Yong-sam remains in power and such fascist law as the "National Security Law" is in force, the South Korean people cannot live a dignified life with political freedom and rights nor can national reconciliation, unity and reunification be achieved any time, said Dr. Yim Chong-sik in an article contributed to NODONG SINMUN today.

Noting that the "National Security Law" in South Korea is a fascist law without an equal, which was worked out in imitation of the notorious the "maintenance of the public order act" used by the Japanese imperialists in arresting, imprisoning and murdering Korean people at random during their colonial rule in the past, the author of the article says:

Peaceful reunification based on great national unity cannot be expected with the "National Security Law" left intact, the law which defines the fellow countrymen in the North as the "enemy" and stipulates the punishment of all those people who call for dialogues with the North and reunification.

The Kim Yong-sam group is ruthlessly violating the human rights of the South Korean people including their political freedom and rights, using the "National Security Law" as a tool for prolonging its power. This is an unpardonable heinous crime which must be denounced.

To cap it all, the Kim Yong-sam group arrested delegates of South Korea on their way to the North to mourn the death of the father of the nation on the charge of violation of the "National Security Law".

Now it is invoking this law in suppressing South Korean students, intellectuals and other segments of people who espouse the great chuche idea.

Facts prove that the "National Security Law" of South Korea is a fascist law against human rights and ethics and the Kim Yong-sam group which tries to destroy the national democratic forces and prolong its power on its strength is a group of barbarians inferior to beasts who are not concerned about the nation, ethics and morality.

CPRF Warns About Abduction of Citizens by ROK

SK1411051394 Pyongyang KCNA in English 0459 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland [CPRF] on November 14 issued a warning against the systematic criminal acts committed by the South Korean puppets in recent years in alluring, kidnapping or murdering citizens of the Democratic People's Republic of Korea in the Far East of Russia, northeast China and other regions.

The warning says:

The South Korean puppet "Agency for National Security Planning" worked out "an operational guideline" and infiltrate terrorists into the Far East of Russia, three provinces of northeast China and other regions under the disguise of "diplomat," "representative of the branch trade office", "pastor," "professor," "researcher," "journalist," "merchant," etc. And, through them, whisk off DPRK citizens to South Korea by bribing, alluring and kidnapping them by all sorts of despicable and crafty means.

Worse still, the terrorist group of the puppet "Agency for National Security Planning" advertises the DPRK citizens abducted to South Korea as "defectors" through threat and brain-washing and even conducts a base anti-communist smear campaign slandering the DPRK through their mouths.

In abducting DPRK citizens to South Korea, the South Korean puppets seek the sinister aim of marring the image of our socialism which is making a long drive, whittling away the might of the singlehearted unity of the leader, the party and the masses and impairing the ever growing external prestige of the DPRK.

Branding the reckless criminal acts of the South Korean puppets as a flagrant abuse of international law and an intolerable anti- national hostile act against our Republic, the Committee for the Peaceful Reunification of the Fatherland sternly warns:

Firstly that we will never tolerate the abduction of tourists on duty and permanent residents of the DPRK by the South Korean puppets in northeast China, the Far East of Russia and other regions.

Since they are engaged in the abduction of our citizens, we have the legitimate right to take a strong countermeasure against it.

This countermeasure of ours will be a just defence of the safety of DPRK citizens.

Secondly that the South Korean puppets will be held wholly responsible for all the consequences arising from the abduction of DPRK citizens by them.

Thirdly that this warning of ours will never be an empty word.

Resolute in our decision, we mean what we say.

The South Korean puppets should pay heed to our warning and never behave rashly.

'Systematic Criminal Acts' Alleged

SK1411075294 Pyongyang Radio Pyongyang in Korean to South Korea 2210 GMT 13 Nov 94

[FBIS Translated Text] The Committee for the Peaceful Reunification of the Fatherland [CPRF] has issued a warning against the systematic criminal acts [pomjoe haengwi] committed by the South Korean puppets in recent years in alluring, kidnapping, or murdering citizens of the DPRK in the Far East of Russia, northeast China, and other regions.

The warning issued by the CPRF says:

In recent years, the South Korean puppets have systematically perpetrated the criminal acts of alluring, kidnapping, or murdering DPRK citizens in the Far East of Russia, northeast China, and other regions.

The South Korean puppet Agency for National Security Planning [NSP] has worked out a so-called operational guideline and infiltrated terrorists into the Far East of Russia, three provinces of northeast China, and other regions under the disguise of diplomat, representative of the branch trade office, pastor, professor, researcher, journalist, merchant, etc. Through them, the NSP whisked off DPRK citizens to South Korea by bribing, alluring, and kidnapping them by all sorts of despicable and crafty means.

Worse still, the terrorist group of the puppet NSP advertises the DPRK citizens abducted to South Korea as defectors through threat and brain-washing, and even conducts a base anticommunist smear campaign slandering [pibang chungsanghanun pangong moryak sodong] the DPRK with their words.

In abducting DPRK citizens to South Korea, the South Korean puppets seek the sinister aim of marring the image of our socialism which is making a long drive; whittling away the might of the single-hearted unity among the leader, the party, and the masses; and impairing the ever-growing external prestige of the DPRK.

Branding the reckless criminal acts of the South Korean puppets as a flagrant abuse of international law and an intolerable antinational hostile act against our Republic, the CPRF sternly warns:

First, that we will never tolerate the abduction of visiting tourists and permanent residents of the DPRK by the South Korean puppets in northeast China, the Far East of Russia, and other regions.

Since they are engaged in the abduction of our citizens, we have the legitimate right to take a strong countermeasure against it.

This countermeasure of ours will be a just defense of the safety of DPRK citizens.

Second, that the South Korean puppets will be held wholly responsible for all the consequences arising from the abduction of DPRK citizens by them.

Third, that this warning of ours will never be empty words.

Resolute in our decision, we mean what we say.

The South Korean puppets should pay heed to our warning and never behave rashly.

[Dated] 14 November 1994, Pyongyang

CPRF 'White Paper' on ROK's 'War Policy'

SK1411050694 Pyongyang KCNA in English 0452 GMT 14 Nov 94

["CPRF Secretariat Publishes White Paper Exposing War Policy of Kim Yong-sam Group"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] on November 12 issued a white paper condemning the South Korean puppets who are pursuing war policy still now, making the North-South relations worse.

The white paper charged that the reckless war policy of the South Korean authorities rests with their foolish dream of "unifying the systems" by "strength", rather than solving the problem of national reunification through dialogue and negotiations.

It says:

On May 24 last year, soon after his assumption of office, the traitor Kim Yong-sam blared that he would bring about the "unification into one nation and one state" and, on July 6, put it out again in the socalled "three basic principles of unification policy and the three-stage unification proposal", crying for the "unification guaranteeing a liberal democratic system and market economy".

Worse still, the traitor puppet Kim Yong-sam, on October 1, drivelled in the "ceremony on the day of ROK Army" that the "unification under liberal democratic system is his aim and dream."

His persistent pursuing of war policy was revealed in maliciously laying obstacles to DPRK-U.S. talks.

Since the Kim Yong-sam group did not wish at all the peaceful solution of the nuclear issue of the Korean peninsula, it has persistently hindered the progress of the DPRK-U.S. talks in every way.

When a misfortune happened to the fellow countrymen, they, far from expressing condolences, took steps of putting the puppet army, police and administrative organs on "special alert and posture for emergency case", dreaming of some "changes" in the North. And they committed a nefarious act, brutally cracking down upon the students and people of South Korea expressing condolences by invoking the "National Security Law".

This proves that Kim Yong-sam has no intention to iron out the reunification problem through dialogue and negotiations, only dreaming of "unification" through war.

War manoeuvrings of the South Korean ruling quarters are clearly manifested in the "arms buildup" of the puppet army, the increase of "military budget" and provocative war blasts against the North.

The puppets have long since pushed ahead with the "medium-and long-term defence policy and plan of defence power development for the 21st century" with the "establishment of combined military system" and "development of munitions industry" as the keynote.

The South Korean ruling quarters have defined the "defence budget" for this year as a record high 10,075.3 billion won and are massively importing the gun radar, the tank-detecting radar, ground- to-air and ground-to-ground missiles and other attack weapons and latest military equipment.

In April, they imported 36 Apache helicopters, 48 Patriot missile launchers and 192 warheads from the United States to position them in the frontline areas along the Military Demarcation Line and, in May, imported 12 "CN-235m" military transport planes from Spain.

And, they made a bargain with the United States to buy 120 "F-16" fighter bombers from June, 12 of which will be imported as finished products.

After the traitor Kim Yong-sam took office, reckless outbursts aggravating the North-South relations and inciting war fever are made in South Korea almost everyday.

On October 25 last year, Kim Yong-sam in his socalled "policy speech" cried out for the increase of "defence budget" and the establishment of "defence posture" and, on May 27 this year, while on his visit to a combat flying corps of the puppet army in the central sector of the front, ordered it to be on "red alert against air attack from the North".

Even the "director of the Agency for National Security Planning," the "Army chief of staff," the "Airforce chief of staff" and other wicked anti-North war maniacs at a "parliamentary inspection of the administration" some time ago (?span) such fictitious rigmaroles as "training of operatives against the South," "tunnels for southward invasion" and "intensive training of combat flights" to deepen confrontation and antagonism between fellow countrymen.

The white paper exposes the unprecedentedly reckless and vicious war exercises and military provocative moves in South Korea against the fellow countrymen after the traitor Kim Yong-sam took office.

The South Korean puppet clique, who frantically staged last year the "Team Spirit 93" joint nuclear military exercises, "Hwarang" and "Ssangryong" exercises, "93 combined ground exercises" and other joint tactical exercises and air-lifting exercises, made public this year such an adventurous war plan against the North as "New Operation Plan 5027" worked out with outside forces and committed more frantically provocative war rehearsals against the North, large and small, including the "Ulchi Focus Lens", creating threats on us and getting on our nerves.

From the beginning of this year, the South Korean puppets drove the armed bandits into the Demilitarized Zone (DMZ), who threatened us by firing recoilless guns, large-calibre machine guns and automatic rifles, and brought in it many military vehicles and armed personnel.

They committed military provocations more frantically from August this year around the third round of DPRK-U.S. talks, to aggravate the situation intentionally.

Even nowadays, when the peaceful climate has come up to the Korean peninsula with the successful conclusion of the third round of the DPRK-U.S. talks, the Kim Yong-sam puppet clique are loudmouthed about the "modernization" of the puppet army and "maximum increase of defence power" contending that a state of "tense military confrontation continues still now."

Noting that unless such a heinous traitor to the nation and rare war maniac and divisionist as Kim Yong-sam is removed, neither national reconciliation and unity nor the country's peace and peaceful reunification can be expected, the white paper said his removal is the only way to bring earlier a durable peace and the independent and peaceful reunification of the country.

South Koreans Reportedly Praise Kim Chong-il

SK1211042294 Pyongyang KCNA in English 0411 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—South Korean people highly praise the greatness of the dear leader Comrade Kim Chong-il, expressing their deep respect and reverence for him, according to a report of radio Voice of National Salvation from Seoul.

A high school teacher in Seoul surnamed Song said:

"The dear leader Kim Chong-il is possessed of extraordinary intelligence, broad magnanimity and noble virtues.

"He is leading the country to prosperity, turning adversity into a favourable condition, misfortune into bliss with his almighty leadership ability and matchless grit.

"There has been no such great man and outstanding leader in history as the dear leader Kim Chong-il who bestows trust, love and kindness on the people, true to the idea of believing in people as in heaven, and enjoys undisputed trust from the people."

A professor of politics in Seoul said: "The world praises the dear leader Kim Chong-il who stood on the peak of world politics before his age of fifties.

"Wherein lies the secret of the greatness of the dear leader Kim Chong-il?

"I believe it lies in his noble humanity and spirit of human love. Human love is the core of his revolutionary outlook, view of life and the core of his politics, we may say, "the dear leader Kim Chong-il administers the affairs of the state with his politics of love and people follow him, worshipping him as their father. Herein lies the source of the invincibility of socialism in the North."

A journalist of South Korea said:

"The dear leader Kim Chong-il is a man of justice and virtues. In other words, he is the incarnation of human love.

"His human love has won the admiration of the world because it is combined with his flaming love for and rock- firm confidence in the popular masses and devoted service to them.

"The people in the North and the South follow him with such deep reverence because they are enchanted by his noble moral influence."

A man of the press in South Korea had this to say:

"Mr. Kim Chong-il who respects the people and devotes his all to them always finds himself among working people.

"All the changes in the North are a fruition of his noble idea of love for the country and the people. Mr. Kim Chong-il is, indeed, an outstanding genius of the present times and a true leader of the people."

Hanminjon on ROK 'Confusion' Over Situation

SK1211104794 Pyongyang KCNA in English 1041 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The Propaganda Department of the Central Committee of the South Korean National Democratic Front (Hanminjon) on November 7 released an information concerning the political situation of South Korea that has been plunged into a big confusion with the publication of the DPRK-U.S. agreed framework, according to the Seoul-based radio Voice of National Salvation.

The information says:

When the agreed framework was published, the "assemblymen" of the "Democratic Justice Party" and the "Republican Party" factions in the "Democratic Liberal Party" (DLP) who had pinned a lingering hope on Kim Yong-sam's words, complained that the principles of "special inspections first and provision of light water reactors next" and "promotion of improvement of North Korea-U.S. relations and South- North relations in parallel", on which Chongwadae [presidential offices] had pulled its full weight, vanished without leaving a trace. They hold that "an extraordinary congress of the party and a party-administration hearing" should be held for a political judgment of the failure of the state policy.

There came from the "DLP" the lamentation that the bankruptcy of the party is not a long way off, even "the morale of the state" staggering for the solo play of Chongwadae.

The people are sneering at Kim Yong-sam, saying he should be called "a charlatan and a blind man who cannot see the trend of the times."

The opposition parties, dissidents and academic circles unanimously view that the DPRK-U.S. agreed framework is a judgment paper on the flunkeyist policy of Kim Yong-sam.

An aide to an "assemblyman" from the Democratic Party said "the North Korea-U.S. agreement is, in a nutshell, a natural fruition of the independent diplomacy of the North and a failure of the flunkeyist diplomacy of Chongwadae."

A certain Kim, a professor of diplomatic politics at Kangwon National University, said that "kim Yong-sam's nuclear plot against the North and flunkeyist nuclear policy have ended up in the old saying, "curses, like chickens, come home to roost".

Political analysts say "the development of the Northeast Asian situation in the future is expected to develop with the North and the United States as the axis" and "the Kim Yong-sam regime steeped in flunkeyism has institutional and political contradictions and limitations that cannot but push it to a passive position in the change of the Northeast Asian situation."

The information says that, today when the DPRK-U.S. agreed framework is entering into the stage of implementation, the moves of the Kim Yong-sam group to put brakes on it are gathering momentum, arousing deep apprehensions and condemnation from various public circles.

ROK's 'Military Provocations' Decried, Detailed

SK1411152194 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 14 Nov 94

[Commentary by Kim Ho-sam: "It Is Time for Him To Cast Off the Mask, Is It Not?"]

[FBIS Translated Text] The people of the world warmly welcome the agreed framework recently adopted and announced in Geneva by our Republic and the United States of America and hope this will make a great contribution to consolidating peace on the Korean peninsula.

Amid the world's expectation, expert-level talks on the implementation of the DPRK-U.S. agreed framework are now being held or will be held soon in Pyongyang, Beijing, and Washington. All this is good since it gives a boost [chokchin] to the long-awaited [mochorom maryondoen] trend of peace and detente on the Korean peninsula.

At this historic moment, rational statesmen and politicians of exalted ideas ought to do something helpful for peace, security, and reunification of the Korean peninsula. Particularly for the Korean people, this is what they should do before arguing over their ideas, ideologies, and systems.

Nevertheless, very unauspicious activities [maeu sangsoropchi motan ildul] are continuously being conducted around the area near the Military Demarcation Line [MDL] these days. As has already been reported, on 10 and 11 November, the South Korean puppets brought rascals armed with machine guns and automatic rifles into the DMZ along the MDL and conducted worthless military provocations, firing guns haphazardly.

As many as some 3,500 puppet, armed rascals and some 2,700 vehicles in various sorts were illegally brought into the DMZ for 11 days this month.

Summing up retroactively, the puppet clique's armed provocation has been conducted every day since the beginning of the year. Following the military provocation in February, March, April, and May, the puppet clique has conducted such military provocations all the more frenziedly since August, toward the third round of DPRK-U.S. talks.

In August, the South Korean puppets fired 3,800 large-caliber guns and automatic rifles in the DMZ and unnamed hills in the north of Yongsong-ri, Paju County, South Korea. In September, they fired as many as some 800 guns in Paju County. And they brought some 500 military vehicles and thousands of armed rascals into the DMZ from 11 to 14 October. During the short period of about 10 days in November, they staged the 'Pangpae' war exercise and the 'Eagle-94' large-scale war exercise for northward invasion.

Because of these confrontation commotions by the puppets, a tense situation is being rapidly created in our country in which a war could break out again at any time, gravely threatening peace and peaceful reunification on the Korean peninsula.

In fact, peace on the Korean peninsula is maintained by our unilateral efforts. The Kim Yong-sam ring says outwardly that they welcome the DPRK-U.S. agreed framework, babbles about a reunified country in which the divided nation is unified and lives peacefully together, and states that the East and West should unite and the North and the South should reconcile to pioneer a great era of the Korean nation. In actuality, however, they are reeking of gunpowder all the year round. This means that the North-South reconciliation and reunified country which traitor Kim Yong-sam babbles about are all hypocrisy and that what he really seeks is confrontation and war.

The Kim Yong-sam ring raves a great deal about North-South dialogue these days, but it is really ridiculous. Dialogue and confrontation are incompatible. Hiding a dagger in the cloak and watching for an opportunity to reunify the country by defeating communism, they babble about North-South reconciliation and reunification. This is the tactic which is employed by the enemy of reunification that has turned away from the nation.

Our nation asks Kim Yong-sam, "Is it not time that the Kim Yong-sam ring of South Korea should now take off the mask of peace under the guise of hypocrisy and fully expose its filthy, bellicose, true color as a war fanatic?"

The acts of Kim Yong-sam over the past year indisputably show that he is the most vicious national traitor, extraordinary warmonger, and divisive fanatic. We cannot avoid national disaster as long as we let this warmonger remain in the country. We have an invariable, basic position to solve the problem of the country's reunification through dialogue and negotiation, but our generosity and patience have their limits.

Those who take up a confrontational posture, like fools rushing in where angels fear to tread, cannot be treated with good will. The Kim Yong-sam ring should not commit a foolish act of pretending to follow the general trend of the times and dreaming something else at heart. History will ruthlessly punish such chaps, and punish them resolutely in the name of the nation.

ROK Military Activities in DMZ Denounced

SK1211110294 Pyongyang KCNA in English 1054 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The South Korean puppets on November 10 brought scores of bandits of the puppet army into the Demilitarized Zone off Chawon-ri, Pyonggang County, and Sakyong-ri, Chorwon County, Kangwon Province, on the central sector of the front, who fired machinegun and automatic rifle bullets at random, according to military sources.

Puppet army bandits armed with machine guns and automatic rifles deployed in the DMZ of Taeyong-ri and Tongchang-ri, Panmun County, Kaesong, on the western sector of the front on November 11 made an ill-considered attempt, running about the area all day long.

On the 10th and 11th, the puppets introduced a number of armed bandits and more than 20 military vehicles carrying large quantities of lethal equipment into the DMZ of Mabang-ri and Pomak-ri, Chorwon County.

The number of armed bandits deployed by the South Korean puppets in the DMZ from November 1 to 11 totalled more than 3,500 and the number of vehicles over 2,700.

'U.S. Imperialist Warmaniacs' Maneuvers Noted

SK1311082594 Pyongyang KCNA in English 0817 GMT 13 Nov 94

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—The U.S. imperialist warmaniacs staged air surprise bombing exercise and espionage against the North in the sky above South Korea and the Military Demarcation Line [MDL] on November 10 and 11, according to military sources.

On the 11th, more than 20 assault planes and pursuit-assault planes launched a surprise strike exercise in the sky above Sangdong, South Korea and on the 10th, some 10 fighter planes launched a provocative air war exercise against the North in the sky above Oeyon and Tokjok Islets in coordination with over 230 fighter, observation and reconnaissance planes belonging to the U.S. 7th Airforce and the puppet airforce.

On November 10, 8 U-2 high altitude strategic reconnaissance planes and other tactical reconnaissance planes flew to the sky above the MDL, committing intensive air espionage against the tactical in-depth area and objects along the east and west coasts of the northern half of Korea.

On the 10th and 11th 105mm artillery groups of the puppet army took positions in the areas of Hapo-ri, Paju County, Chungsa-ri and Sang-ri, Yonchon County, Kyonggi Province, and Odok-ri, Chorwon County, South Korean Kangwon Province and fired some 300 shells toward the forefront. The puppet armed bandits who occupied combat positions on nameless heights adjacent to the DMZ north of Manu-ri and Yongsan-ri, Paju County, Kyonggi Province, and Kangsan-ri, Chorwon County, South Korean Kangwon Province, fired some 20,000 bullets with large-calibre machine guns and automatic rifles.

The reckless play with fire clearly shows that the U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique are rushing headlong toward confrontation and war, going against the aspirations of the nation for reconciliation and unity, peace and reunification.

ROK, U.S. Stage 'Air War Exercise' 8, 9 Nov

SK1111042594 Pyongyang KCNA in English 0409 GMT 11 Nov 94

["War Game Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—The South Korean puppets in league with the U.S. imperialists warmaniacs, staged a provocative air war exercise against the North on November 8 and 9, according to military sources.

The exercise was staged for long hours day and night with the sky above the Tokjok and Kyokryolbi islets as the theatre under the command of an overseas-based "E-3" air commanding plane. Participating in it were some 570 fighter planes of different types belonging to the U.S. Airforce stationed in South Korea and the South Korean puppet airforce.

This was a provocative move to increase the joint operation capacity of the U.S. Airforce stationed in South Korea and the puppet airforce for a surprise forestalling strike at the DPRK.

In the same period 105 mm artillery groups of the puppet army took positions in the frontline areas of Yonchon and Paju Counties and Chorwon County, South Korean Kangwon Province, and fired some 370 shells toward the forefront and the puppet armed bandits who occupied the same areas fired 2,100 bullets with large-calibre machine guns and automatic rifles, inciting war fever.

Paper 'Lashes Out' at U.S. Perry's Remarks

SK1111045894 Pyongyang KCNA in English 0448 GMT 11 Nov 94

["U.S. Will Get Nothing From Confrontation"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 11 (KCNA)—NODONG SINMUN today lashes out at the U.S. thinking on the use of military force outlined by U.S. Defense Secretary William Perry some time ago.

Perry said the U.S. Administration is prepared to use military force against North Korea because this country threatens "vital national interests" of the United States.

The news analyst says: Perry's argument may create confrontation and distrust between the DPRK and the United States and hamper the implementation of the agreement between them.

His argument reveals his dislike of the framework agreement between the DPRK and the United States.

Perry contended that military force may be used against North Korea since it threatened vital U.S. interests in three dimensions: A threat to the United States and its key allies, a threat to critical economic interests and a future nuclear danger. This is a quite reversed logic.

It is not the DPRK that threatens the United States, but vice versa. That is why the United States promised not to use arms including nuclear weapons nor to threaten the other side with such forces in the joint statement adopted at the first round of DPRK-USA talks, reaffirmed its commitments at the second round of talks and provided formal assurances to the DPRK that it would not use nuclear weapons nor threaten the latter with them in the recently published framework agreement between the DPRK and the USA. It is well known a fact that the United States has long since threatened and encroached on the economic interests of the DPRK.

To attempt to justify a sinister purpose by reversing black and white is not a wise option and never could it be justified.

It is a foolish notion to overpower the DPRK with threats of force. No military threat can work on the DPRK.

If the conservative forces of the U.S. take the line of confrontation, the U.S. will get nothing good.

ROK-Japanese 'Military Conspiracy' Denounced

SK1211034794 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 11 Nov 94

[Commentary by station commentator Yun Pyong-son: "A Dangerous Conspiracy and Collusion"]

[FBIS Translated Text] According to a news report, a so-called dialogue was conducted in Seoul on 8 and 9 November between South Korean and Japanese working-level officials involved in national defense, the first of its kind between military policy-related officials of South Korea and Japan.

It is said that they reached an agreement on a series of questions to strengthen their military cooperation, including the holding of negotiations on mapping out pertinent military countermeasures on a regular basis in the future. It is also said that they exchanged opinions about Northeast Asian affairs, including the situation in our Republic, the present status of the military policy of South Korea and Japan, and the ways to realize military exchanges in the future. We cannot but say that this is a very ominous, [simsangchianun] military move.

In a word, this proves that the military conspiracy and collusion between South Korea and Japan have reached an extremely grave stage, and serves as an open challenge to the current of the situation of the Korean peninsula's and Asia's trying to move along the road to peace and the reduction of tension.

The latest consultation undertaken between the military policy-related officials of South Korea and Japan, who reached an agreement on a series of questions to strengthen their military cooperation—including to hold negotiations on mapping out pertinent military countermeasures on a regular basis—was virtually a military conspiracy, which can be conducted only under the system of a military alliance. This corroborates the fact that a military alliance truly exists between South Korea and Japan. It is clear to anyone how grave an effect this will have on the Korean peninsula and Asia.

As everybody knows, following the recent settlement of the Korean-U.S. talks and the release of the Korean-U.S. framework agreement, a new phase—which is favorable to the peace and stability of the Korean peninsula and Asia—has unfolded. The peace-loving people in Asia and the world, as well as the Korean people, are expressing their consistent support and warm welcome for this.

Under these circumstances, the South Korean puppets and the Japanese reactionaries are openly running along the road to strengthening their military conspiracy and collusion. There is no need to say further that this is a product of the rascals' intentional and premeditated maneuverings to (?bend) by any means [ottokehana] the current of the situation running toward peace and the reduction of tension.

From the start, the South Korean puppets and the Japanese reactionaries have taken no interest in the peace and stability of the Korean peninsula and Asia. This is fully proven by the fact that, in the whole process of the previous Korean-U.S. talks, the South Korean puppets and the Japanese reactionaries were engaged in undertaking vicious maneuvers to block the progress of the talks.

The stance and attitude of the South Korean puppets and the Japanese reactionaries, who are opposing the reduction of tension on the Korean peninsula and Asia, are linked with the (?wicked) goals the rascals have been consistently pursuing.

As is already widely known, the Kim Yong-sam puppet clique has set the question of achieving reunification under free democracy as the ultimate goal, and is pertinaciously pursing reunification in such a way as to launch a northward invasion and defeat communism for the realization of such a goal.

In the meantime, the Japanese reactionaries are extremely fidgety with an ambition to expand overseas with a view to realizing their old dream of realizing the Greater East Asia Coprosperity Sphere. A graphic example of this is that the Japanese reactionaries are enthusiastic about becoming a permanent member of the UN Security Council, revising the peace Constitution, increasing their military expenditures, modernizing their Armed Forces, and trying to dispatch their Self-Defense Forces overseas, while intensifying their schemes to become a political, military power more than ever before in recent days.

On the basis of such a common feature in their interests and goals, the Kim Yong-sam puppet clique and the Japanese reactionaries are running along the road to further strengthening their military, political conspiracy and collusion.

In this connection, the South Korean puppets are trying to realize their ambition to launch a northward invasion on the strength of Japan, while the Japanese reactionaries are scheming to realize a military invasion of Korea [choson] by using the puppets as a stepping-stone [kiljabi].

It leaves no room for doubt that the latest military conspiracy undertaken between the South Korean puppets and the Japanese reactionaries, too, originated from such wicked ulterior motives of the rascals.

The South Korean puppets and the Japanese reactionaries should assume the full responsibility for the grave consequences of the rascals' military conspiracy and collusion.

In particular, the Kim Yong-sam clique should receive due punishment for committing an antinational criminal act of openly again bringing in the Japanese militarist force, our people's sworn enemy.

The South Korean people will never look idly on the Kim Yong-sam clique's unpardonable criminal act of bringing a wolf into the house again, but will surely severely judge the group of wicked national traitors.

Japan 'Not Entitled' to Permanent UNSC Seat

SK1211110594 Pyongyang KCNA in English 1100 GMT 12 Nov 94

["Japan Not Entitled To Be Permanent Member of UNSC"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Japan that does not respect human rights is not entitled to be a permanent member of the U.N. Security Council (UNSC), declares NODONG SINMUN in a by-lined article today.

The article says:

The members of the UNSC must be faithful not only to the preservation of world peace and security but to the respect for and defence of human rights in the international community.

In this aspect, either, Japan cannot be said to be qualified for permanent membership, setting aside its failure to atone for its past crimes.

Japan has endorsed only a few of the many human rights accords adopted at the United Nations and, worse still, has not faithfully fulfilled its obligations under the accords it endorsed.

We may take the accord on the rights of children for example.

This accord provides for treating all children on the principle of non-discrimination and equality, and respecting the right of children to enjoy their national culture and use their mother tongues, irrespective of their residence. However, the Japanese authorities do not provide educational conditions to the schools of Korean children in Japan. Even if they finish the course of regular education, the authorities do not recognise their qualification and seriously discriminate against them in all fields. In Japan, Korean girl students have their right to wear chima and chogori, their national costumes, violated. The point is that the human rights of Korean school children in Japan are violated with the connivance of the government authorities.

The national chauvinism and human rights violations of the Japanese authorities have a long historical root.

During their illegal occupation of Korea, the Japanese imperialists drafted six million Koreans and subjected them to harsh slave labour and reduced more than 200,000 Asian and European women, mainly Korean women, to sex slaves for the "Imperial Army" of Japan.

It is nearly fifty years since the end of World War II, but the Japanese Government still evades a clear apology, reparation and compensation for those crimes of Japanese imperialism.

If Japan is allowed to take a permanent seat in the UNSC under this situation, it will mean justifying Japan's avoidance of the liquidation of the past and encouraging it to repeat the history of aggression and human rights violations.

Military Delegation Leaves for Southeast Asia

SK1011232894 Pyongyang KCNA in English 2210 GMT 10 Nov 94

[FBIS Transcribed Text] Pyongyang, November 10 (KCNA)—A military delegation of the Democratic People's Republic of Korea led by Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-chairman of the National Defence Commission of the DPRK and chief of the General Staff of the Korean People's Army [KPA], left Pyongyang today to visit Cambodia, Laos and Vietnam.

It was seen off at the airport by vice marshal of the KPA Kim Kwang-chin and other generals and officers of the KPA.

It was also seen off by Vietnamese Ambassador Duong Chinh Thuc, Chinese Ambassador Qiao Zonghuai and Charge d'Affaires Ad Interim of the Cambodian Embassy here Laau Bonna.

Russian Author: Kim Chong-il is Kim Il-song

SK1211103494 Pyongyang KCNA in English 1024 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—V.G. Tolstikov, chairman of the Central Council of the Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea, recently published an article titled "Comrade Kim Chong-il Is Comrade Kim Il-song Today."

The author once worked as a correspondent of PRAVDA in Pyongyang and had the honour of being received by the great leader Comrade Kim Il-song several times.

He has been engaged in socio-political activities for many years. He visited Korea from late September to late October.

The article says:

The world is overwhelmed by a great shock and grief at the loss of Comrade Kim Il-song and honors his memory with reverence. This evidently emanates from deep reverence and respect for a great man, a great leader.

I can say confidently that Comrade Kim Il-song was the greatest leader and an elder statesman of the world.

Comrade Kim Il-song was a prominent leader of the working class and the progressive people of the world who greatly encouraged the anti-imperialist, national-liberation movement and the cause of socialism as a whole by setting a practical example of the Korean revolution, and propounded the strategy and tactics of the world revolution and led the struggle for it in the van.

With his devoted work he laid a reliable foothold for the final victory of the cause of human liberation and decorated the 20th century as an era of revolution, an era of struggle and an era of independence. His achievements will shine long generation after generation.

Comrade Kim Il-song, a peerless great man, will always live in the hearts of all people.

In Korea, there is no sign of vacillation and confusion in the "vacancy of the head of state" that can usually be seen in other countries, and the whole country is politically stable. This is because Comrade Kim Chong-il stands in the centre of leadership and the entire people are united around him in one mind.

Comrade Kim Chong-il is the successor to Comrade Kim Il-song and his cause.

Comrade Kim Chong-il is a great leader of the people who has fully inherited the rare natural gifts, outstanding leadership traits and noble virtues of Comrade Kim Il-song.

Comrade Kim Chong-il has long since been leading the revolution and construction as the supreme leader of the party, the state and the army of Korea and making tremendous achievements.

In Korea, the leader, the party and the masses are united in one mind.

Frankly speaking, the might of the people who have a great leader and are united around him in one mind is stronger than atomic bombs.

In this sense, the exploits of Comrade Kim Chong-il who achieved the singlehearted unity of the leader, the party and the masses and is vigorously pushing ahead with the revolutionary cause of chuche, the cause of socialism, with the strength of this unity are the most distinguished in the history of humanity.

The foundation stone of the singlehearted unity of Korea is the benevolent politics of Comrade Kim Chong-il.

After bidding the last farewell to Comrade Kim Il-song, Comrade Kim Chong-il extended the period of mourning, considerate of the people's longing for their leader, and wisely led the entire people to turn out to fulfill the leader's instructions.

Comrade Kim Chong-il is administering the affairs of the state with his veteran skill from the stand of remaining loyal to the leader and respecting the people's will, in disregard of the usage of the history of international politics, the established conception of the public and the contaminated political climate. He is, indeed, the most experienced leader and the greatest of the great men.

Comrade Kim Chong-il is wisely guiding the revolution and construction in Korea, winning a brilliant victory and making a distinguished contribution to the cause of socialism as a whole and the people's cause of independence with his outstanding ideological and theoretical activities and revolutionary practice.

Comrade Kim Chong-il is Comrade Kim Il-song today.

History has already acclaimed Comrade Kim Chong-il as the leader of all people who will represent the 21st century both in view of his mission for the times and personality as a great man.

Success of Kim Chong-il's Guidance Described

SK1211233094 Pyongyang KCNA in English 2227 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—The trips of great on- the-spot guidance made by the respected leader President Kim Il-song for the people all his life is faithfully succeeded by the dear leader Comrade Kim Chong-il.

Recently, Comrade Kim Chong-il, the great leader of the Workers' Party of Korea and the Korean people, inspected the Tomb of King Tangun which had just been reconstructed and the Chongryu Bridge upon the completion of its first stage.

Comrade Kim Chong-il who fully personifies the noble popular style of work of President Kim Il-song has made trips of thousands upon thousands of miles in his on-the-spot guidance for the prosperity of the country and the happiness of the people over the past 30 hears since he began leading the party work. His on-the- spot guidance left its traces everywhere in the country from Onsong County at the northern tip of the country to the Musan mining complex, the Kim Chaek iron and steel complex, the Komdok mining complex, the grand and beautiful streets of Pyongyang, Chongsan-ri on the west coast, Muksong-ri, Kaephung County, adjacent to the Military Demarcation Line, the West Sea Barrage and a small lighthouse islet on the east coast. The factories, enterprises and cooperative farms among many units visited by him total more than 1,500.

Giving on-the-spot guidance, he acquainted himself with the condition of the given units, talking with workers, farmers, intellectuals and other strata of popular masses and unraveled knotty problems and showed benevolent loving care for them to be handed down through generations.

In the 1980s Comrade Kim Chong-il called on the workers of Ryongsong and Rakwon and assigned them tasks to build a 10,000-ton press and a large oxygen plant, deeply trusting them, and indicated concrete ways of their manufacture. At the construction site of the West Sea Barrage, he discussed with soldiers of the People's Army ways of completing the project in a short period and led them to push ahead with the project, giving them matchless courage and strength.

As a result, the workers of Ryongsong and Rakwon manufactured a 10,000-ton press and a 6,000-cubic metre oxygen plant in a short span of time with their own efforts, technologies, equipment and materials, and the People's Army soldiers who were mobilized in the construction of the West Sea Barrage, one of the biggest in the world, built it cutting 8 km across the rough sea in five years.

The grand and splendid streets of Pyongyang and the modernly equipped, factories and enterprises and other grand monumental edifices are fruits of his energetic guidance.

He has left footmarks of his on-the-spot guidance also on fields of many rural communities including cooperative farms in Sinchon, Kaephung and Unjon Counties.

He called at Chongsan-ri more than 20 years ago. Walking a pass across paddy fields at dawn, he matured a plan to build it into "the first communist village". One year he visited a farm on the Kaema plateau in the northern region of the country, which is called "the roof of Korea", and he found a way of improving the living standard of the farmers in the highlands, counting the number of the plants of potatoes and the number of potatoes per plant in a field.

Seeing a few pupils going to school over stepping stones cross a river on a trip of on-the-spot guidance, he made sure that a large concrete bridge was built there. When he learned that a few pupils of a forestry village in the Rangrim mountain range went to school a long way off on foot, he sent them a commuter bus. And he took measure to open a branch school for three children in a small lighthouse islet on the West Sea.

The meticulous guidance and benevolent loving care of Comrade Kim Chong-il reach all the industrial establishments, rural and fishing villages, hospitals, schools and kindergartens, and all other places of Korea.

Council Vows To Fulfill Kim Chong-il's Order

SK1211043894 Pyongyang KCNA in English 0432 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Officials of the Secretariat of the Administration Council held a meeting on November 10, at which they vowed to thoroughly implement the order of Comrade Kim Chong-il, supreme commander of the Korean People's Army, on building the Chongryu Bridge (the second stage) and Kumnung Tunnel No. 2 in Pyongyang by October 10, 1995, the 50th anniversary of the foundation of the Workers' Party of Korea.

Comrade Kim Chong-il in the order said, "The Administration Council should take measures to give top priority to the timely supply of facilities and materials needed for the construction of the Chongryu Bridge (the second stage) and Kumnung Tunnel No. 2."

The participants in the meeting discussed measures to undertake active work for giving material and moral assistance to the soldier- builders who have turned out to implement the order of comrade supreme commander, upholding the far-sighted plan of the great leader Comrade Kim Il-song and the intention of the party.

A letter to Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army, was adopted at the meeting.

Leading Party, Government Officials Inspect Tomb

SK1211044394 Pyongyang KCNA in English 0436 GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (KCNA)—Senior party and government officials on November 11 saw the Tomb of Tangun, the first king of the Korean nation, which is situated in Kangdong County, Pyongyang municipality.

Inspecting the tomb were Pak Song-chol and Kim Yong-chu, members of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-presidents; Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party and vice-president; Kye Ung-tae and Han Song-yong, members of the Political Bureau and secretaries of the WPK Central Committee, and other party and government cadres.

The visitors saw the monument to the reconstruction of the Tomb of King Tangun, the monument inscribed with the record of King Tangun, stone sculptures and the tomb chamber, after being briefed on the splendid reconstruction of the tomb as a historical national treasure under the wise guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, according to their noble intention to add glory to the time-honored history and homogeneous blood of the nation.

Article Views Party Leadership in Socialism

SK1411032394 Pyongyang MINJU CHOSON in Korean 29 Sep 94 p 2

[Article by Choe Chong-hon: "Our-Style Socialism Which Has Been Consolidated as Impregnable Fortress Under Party Leadership [yongdo]"]

[FBIS Translated Text] Today, our-style socialism centered on the popular masses is giving forth a brilliant light, majestically rising in the corner of the East. Even under the circumstances in which the imperialists' anti-socialist maneuverings are being intensified in an unprecedented way, our-style socialism is more vigorously marching forward with each passing day with a great tractive force, and is winning victory after victory. This is because our-style socialism has been firmly consolidated as an impregnable fortress under the party's wise leadership [yongdo].

The dear leader Comrade Kim Chong-il has pointed out: "Under the leadership of the party and the leader [suryong], our people have embodied the chuche idea, thereby building the most superior socialist society and setting a socialist model."

The solidity and invincibility of socialism depend upon the leadership role of the party of the working class.

The socialist cause is a sacred work to realize the ideals of the human race. The road to socialism is an untrodden one which should be pioneered anew, and it is a rigorous road to revolution which is being traversed under a sharp confrontation with imperialism. Therefore, it is necessary to guarantee the revolutionary leadership [yongdo] of the party of the working class in order for socialism to victoriously march forward while taking the initiative in overcoming the repeated difficulties and hardships along the road ahead.

The party of the working class is the heart of society and the leading political organization. A socialist society can be firmly maintained, can be endlessly developed, and its might can be fully displayed only under the leadership [yongdo] of the party of the working class. When the leadership [yongdo] of the party, a lifeline of the socialist cause, is weakened, we cannot advance the socialist cause in a victorious way, nor can we safeguard the socialist system, which we have obtained with blood. This is a serious lesson history shows.

The dear leader Comrade Kim Chong-il has elucidated the idea that a decisive factor of consolidating, developing, and firming up a socialist society lies in strengthening the party; putting forth the question of imbuing the entire society with the chuche idea as the general goal for the building of a revolutionary party; and leading wisely the struggle to realize this. Thanks to the energetic leadership of the dear comrade leader, our party has been further consolidated and developed as the guiding force of the socialist society and as an ever-victorious, iron-willed party; and the party's leadership system has been firmly established in the entire party and the whole society. Thanks to our party's correct leadership [yongdo], our-style socialism has been turned into the socialism—with the greatest might and vitality—which is endlessly developing on the firm basis of independence, self-reliance, and self-defense; and has struck root more deeply in this land. Cutting its way through the rigorous storms of the modern history, the cause of our-style socialism has been victoriously marching forward along the straight short cut, and our country is highly displaying a magnificent appearance, while having been firmly consolidated as an invincible fortress that does not shake even under any storm. This is a precious fruition borne by the seasoned leadership [yongdo] of our party.

The invincibility of our-style socialism lies, above all, in the fact that the subjects [chuche] of the socialist society have been extraordinarily strengthened.

To strengthen the subjects of the revolution and enhance their role is a basic question that determines the destiny of a socialist society. In essence, a socialist society brings up the question to strengthen the subjects of the revolution and enhance their role as a lawful demand for its own development. A socialist society is a society in which the popular masses are the masters, and which develops thanks to the conscious, creative struggle by the popular masses who are armed with the socialist ideology and who are united and held together as one. The essential characteristic of a socialist society, which is distinguished from all exploiting societies, and the driving force for the development of a socialist society lies in the fact that the popular masses are uniting themselves together and waging struggle with a high sense of self- consciousness and creative power as masters and as comrades.

The subjects of the revolution are a unified body of the leader [suryong], the party, and the masses. Only when they are firmly held together—with the leader [suryong] as their axis—under party leadership [yongdo] can they play a decisive role in the struggle for socialism. Therefore, the working class party, which is leading the socialist construction, should make appropriate efforts to strengthen the subjects of the revolution and enhance their role. If the party of the working class does not make efforts to strengthen the subjects of the revolution while devoting itself to the economic and practical questions, we will lose a powerful driving force for the development of the socialist society and will not be able to lay a solid sociopolitical foundation. When the subjects of the revolution are strengthened, we can firmly hold all the people together around the party and the leader [suryong] and help them highly display their enthusiasm and creative power, thus being able to accomplish successfully the socialist construction under any difficult conditions and environments.

Regarding the question to strengthen the subjects of the revolution as a basic question in the struggle for socialism, our party has given priority to the realization of that question, and has further intensified the work to strengthen those subjects in accordance with the question to develop revolution and construction to a new, higher level.

Today, under party leadership [yongdo], all people across the country are in perfect harmony, while being firmly armed with the great chuche idea and firmly rallied around the dear leader Comrade Kim Chong-il morally, faithfully, and in ideological will; and they constitute a solid sociopolitical body based upon the revolutionary comradeship and a sense of faithfulness. Because of such a great unity and cohesion, which nothing can destroy, our socialism is the most solid and is displaying the invincible might.

The invincibility of our-style socialism also lies in the fact that it is firmly based upon independence, self-reliance, and self- defense.

The invincibility of socialism is defined by the solidity of its foundation. The solidity of the foundation on which a socialist society depends is guaranteed by the thoroughgoing chuche character in the political, economic, and military domains; such a chuche character is intensively displayed when the principle of independence, self-reliance, and self-defense is consistently embodied. Only the foundation on which the principle of independence in politics, self-reliance in economy, and self-defense in national defense is thoroughly embodied can serve as the most solid foundation, and a socialist society based upon such a foundation will be consolidated as an invincible one.

Our country's socialism is embodying the principle of independence in politics.

Revolution and construction are proceeding with the country and the nation as a unit, and the destiny of the nation is determined by independent politics. Independence in politics is the primary index to an independent, sovereign country. If one possesses a regime [chongkwon], yet cannot conduct independent politics, one cannot defend the dignity and interest of the country and the nation, nor can one achieve the happiness of the people and the prosperity of the country.

On the basis of the fact that it has scientifically seen through the importance of the position and role of the regime in the revolution and construction, our party has helped the regime of the Republic firmly establish chuche in all of its activities and thoroughly embody the principle of independence in the whole process of the socialist construction. Thanks to the wise leadership [yongdo] of the party, it has been possible for the regime of our Republic to be consolidated and developed as an independent regime that regards the chuche idea as its leading guideline and that is firmly realizing the political independence in all domains of the state's activities. Today, the regime of our Republic is establishing all lines and policies in an independent way in conformity with the demands of our revolution and the reality of our country; is implementing those lines and policies on the basis of our people's own strength; and is carrying out the socialist construction from beginning to end in our own way. Our country is exercising complete sovereignty and equal rights also in its external relations. Our country is solving all questions on the basis of its own independent judgment and conviction without allowing any kind of foreign interference and pressure, and without dancing to the tune of others. Just herein lies one of the basic factors that our-style socialism has been consolidated as an impregnable fortress and is victoriously marching forward, while firmly defending its own chuche-oriented characteristic under any circumstances.

Our country's socialism is based on a firm foundation of a self-reliant national economy.

The economy is the material basis of the social life. In order to consolidate and develop a socialist society, it is necessary to stick to the principle of self-reliance in the economic domain and to construct a self-reliant national economy. When we build a self- reliant economy that can move along on its own on the basis of modern technology, we can firmly provide the people with an independent, creative working and material life; successfully accomplish chuche in ideology, independence in politics, and self- defense in national defense; and solidify the country's independence [tongnip].

From the first period of the struggle for socialism, our party has put forth the line for the construction of a self-reliant national economy and has thoroughly accomplished it, thereby laying a powerful foundation for a self-reliant national economy in our country. In our country today, a heavy industry base equipped with modern technology and a light industry base, which has been developed in a comprehensive way, have been firmly established, and a firm foundation for agricultural production has been laid. This serves as an important material foundation for the consolidation and development of our country's socialism. At the moment, our economic might is further increasing and developing with each passing day in the struggle to carry through our party's revolutionary economic strategy. Just because of such a firm self-reliant national economy, our-style socialism is vigorously displaying its might, while not shaking in the face of any kind of maneuverings for blockade [pongswae] and world-wide economic upheavals, and while winning victory after victory.

Our country's socialism depends upon self-reliant national defense capabilities.

The question to realize self-reliance in national defense is a basic principle for the building of an independent, sovereign country, and it is an important guarantee for the consolidation and development of the socialist system. When one possesses self- reliant national defense capabilities, one can safeguard the security of the country and the gains of the revolution with one's own strength, and one can vigorously accelerate the socialist construction.

As a result that our party's military line—which basically stresses the need to turn the whole Army into an army of cadres, modernize the whole Army, equip all the people with weapons, and turn the whole country into a fortress under party leadership [yongdo]—has been thoroughly accomplished, our country has been turned into an impregnable fortress that can smash [chyomulichilsuitnun] any invasion of the enemies [choktul] with one blow. There has been no other time than today when our country's military might has become so powerful, with the dear leader Comrade Kim Chong-il upheld as the chairman of the DPRK National Defense Committee and the supreme commander of the Korean People's Army. This serves as a military guarantee for the solidity and invincibility of our-style socialism.

Today, our socialism is unfolding, with overflowing vigor, a new history of change in all domains of the social life. This is a precious fruition of the fact that under party leadership [yongdo], the subjects of our revolution are being strengthened in every way and a firm foundation of independence, self-reliance, and self-defense has been laid. Because it is based upon such a powerful foundation, our-style socialism is being more firmly consolidated as an impregnable fortress.

Our-style socialism, which, under the wise leadership of the great leader [yongdoja], has struck its root deep in this land and has been consolidated as an impregnable fortress, will vigorously march forward only along the single road to victory toward a brighter future, while boldly cutting its way through any kind of storm.

South Korea

IAEA on Monitoring of North's Nuclear Freeze

SK1111050594 Seoul YONHAP in English 0449 GMT 11 Nov 94

[FBIS Transcribed Text] Vienna, Nov. 11 (YONHAP)—The International Atomic Energy Agency (IAEA) convened a special Board of Directors' meeting Friday to map out measures for monitoring the North Korean nuclear freeze in response to a request by the United Nations Security Council (UNSC).

At the one-day meeting, the board is to discuss ways to ensure efficient monitoring of whether Pyongyang is actually implementing the nuclear freeze it promised at the recent Geneva talks with the United States.

IAEA Director-general Hans Blix made it clear in his opening report that Pyongyang is still a party to the Nuclear Non- proliferation Treaty (NPT) and its attached nuclear safeguards agreement, while disclosing that inspections of the North would be in line with the agency's experience in the field.

As for the "nuclear freeze," Blix said it means that all activities including movement of nuclear materials or changing of facility conditions should be stopped, and stressed that the IAEA will conduct checks based on this interpretation.

Blix also said that despite the U.S.-North Korea accord which puts off IAEA special inspections, they should be performed at an early date and Pyongyang should not tamper with related information or materials.

The director-general gave an in-depth explanation of the current situation between the IAEA and Pyongyang after the latter's June 13 withdrawal from the agency and the UNSC's request.

Board members asked the IAEA Secretariat to devise measures for on-the-spot inspections of the 5-megawatt nuclear reactor at Yongbyon and the 50- and 200-mw units whose construction the North recently suspended. They also debated expanding the scope of inspections, currently limited to spent fuel rods.

The nuclear watchdog agency had asked Pyongyang to be an observer at the meeting dealing only with its nuclear program, but the North declined to do so.

The IAEA is seeking direct contacts with the North from next week on the basis of the meeting's results.

Ministry Welcomes IAEA Board Meeting Results

SK1211051494 Seoul YONHAP in English 0509 GMT 12 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP)—The South Korean Foreign Ministry welcomed the results of the International Atomic Energy Agency (IAEA) conference Saturday, calling them "appropriate measures."

The adoption of the IAEA chairman's summary "carries an important meaning in that it reconfirmed the authority the UN Security Council has given the agency to monitor implementation of the nuclear safeguards accord between the IAEA and North Korea and to monitor the freeze of North Korea's nuclear activities," a ministry spokesman said in a commentary.

The government hopes that Pyongyang will respect the will of the international community reflected in this summary and faithfully carry out the U.S.-North Korea nuclear agreement as well as the IAEA safeguards accord, he said.

DPRK Envoy Pledges Cooperation With IAEA

SK1211012694 Seoul YONHAP in English 0114 GMT 12 Nov 94

[FBIS Transcribed Text] Vienna, Nov. 11 (YONHAP)—The International Atomic Energy Agency (IAEA) decided at a special Board of Governors' meeting Friday to begin trying to verify the nuclear freeze agreed by North Korea and the United States and to continue implementing the nuclear safeguards pact between North Korea and the IAEA.

North Korean Ambassador to Vienna Kim Kwang-sop told the UN nuclear watchdog agency Thursday that Pyongyang would cooperate with the IAEA's efforts to verify the freeze.

At the meeting, the IAEA resolved that Director-General Hans Blix should initiate verification measures without delay and report their progress and related matters to the Board of Governors on a regular basis and to the UN Security Council on a need-to-report basis.

The agency voiced hope that the North Korea-U.S. agreement on special IAEA inspections of the communist state's two undeclared nuclear sites will lead to immediate and overall implementation of the nuclear safeguards pact.

In a speech opening the special Board of Governors' meeting, Blix noted that North Korea is a party to the Nuclear Non-Proliferation Treaty (NPT) and the nuclear safeguards pact, and that the IAEA would monitor its nuclear activities on the basis of the agency's inspection experience and generally accepted standards.

The North's nuclear freeze should mean the suspension of all nuclear activities, such as movement of atomic materials and facility changes, and IAEA checks will be conducted to verify the freeze in this sense, he stressed.

The special inspections should be conducted as soon as possible despite the agreed postponement between Pyongyang and Washington, he added.

He then urged Pyongyang not to tamper with special inspection- related data and material during the delay.

The IAEA will begin fresh contacts with North Korea as early as Monday on the scope and timetable of its inspection activities.

On Thursday evening, North Korean Ambassador Kim met with the Board of Governors' chairman to discuss Pyongyang's official position on cooperating with IAEA inspections. Kim also expressed hope the IAEA would encourage implementation of the North Korea-U.S. nuclear agreement, a source said.

North Korea did not participate in the special Board of Governors' meeting, though it was invited to attend.

Government Studies N-S Nuclear Cooperation Pact

SK1411003994 Seoul YONHAP in English 0034 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—The Seoul government is considering proposing a South-North Korean nuclear cooperation pact to facilitate the supply of equipment and expert assistance for reactor construction in the North, officials said Monday.

Officials from the Unification, Foreign, and Science and Technology Ministries held a series of consultations last week and took up the inter-Korean pact, the officials said.

The "Korea Energy Development Organization (KEDO)," a multinational consortium, will be in charge of arranging the 4- billion-dollar project to build two light-water reactors in North Korea.

South Korea is to play a central role in the project, providing the majority of the funds and reactor parts. The inter-Korean pact would ease procedures in assisting with reactor parts and dispatching experts who need to be at construction sites inside North Korea, officials said.

"It would be better if we adopted an inter-Korean nuclear cooperation pact even with KEDO's existence since we will be in charge of the project core," said an official. "Once the reactor construction project gets under way and inter-Korean economic cooperation resumes, the talks for adopting such a pact will also get under way."

The Seoul government will form a special planning committee on the reactor project divided into four areas—construction, technology, financing and legal matters.

The government plans to use about 300 million won from next year's budget.

A presidential decree containing these plans will be sent to the National Assembly for approval soon.

Seoul To Demand ROK-Type Reactors to KEDO

SK1411034394 Seoul KYONGHYANG SINMUN in Korean 14 Nov 94 p 2

[FBIS Translated Text] It was learned on 13 November that the government plans to insert a clause on providing 'ROK-type light-water reactors' to North Korea in documents relevant to the founding of the Korea Energy Development Organizations [KEDO], which will be in charge of the program to build reactors in North Korea.

Such a step is being taken by the necessity to clarify this point as the agreed framework only stipulates that "North Korea will be provided with two light-water reactors with a total generating capacity of 2,000 megawatts," even though the provision of the Ulchin reactors Nos. 3 and 4 has been agreed upon between North Korea and the United States

In addition, the government has mapped out a plan for the U.S. side to represent the KEDO, while the ROK side serves as the secretary general of the KEDO. In addition, the government has laid out a plan to form a governing body under the KEDO that will be in charge of decision-making and to set up an operations office of which the ROK, the United States, and Japan will be the core members.

The government on 10 November conveyed this wish to Robert Gallucci, U.S. nuclear negotiator, through Assistant Foreign Minister Choe Tong-chin, the head of South Korea's new planning committee on the reactor project. The government also plans to reflect our strong stance at the high-ranking working negotiations among the ROK, the United States, and Japan slated to be held in Washington around 18 November.

In the meantime, it was revealed that the ROK, the United States, and Japan have a different notion about the ratio of burden-sharing concerned with the formation of the KEDO. Considering the symbolic meaning of the provision of light-water reactors, the ROK and Japan hope the United States will share some of the burden. However, the U.S. position is that it will only participate in providing alternate energy and spent fuel rods to North Korea by eliminating a restriction in its domestic law.

North's Rejection of Economic Cooperation Viewed

SK1111003394 Seoul YONHAP in English 0017 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—The South Korean Government will push for private business links with North Korea as planned, despite Pyongyang's rejection Thursday of a Seoul proposal for bilateral economic cooperation.

A senior government official said Friday: "What we have offered is nothing but private economic cooperation and nothing has been mentioned about inter-governmental dialogue. Accordingly, there is no reason for us to be swayed by the attitude of Pyongyang."

"What can we do if they don't want to take a chance offered them by us?" He continued. "Pyongyang's response this time appears to be nothing but a political offensive, possibly far from their real intention."

A working-level official involved in inter-Korean economic cooperation had this to say: "No rash conclusion should be made as yet as to their real intent. But I don't think it necessary to be affected by their political offensive. The things under promotion will be pushed through as originally planned."

Another working-level official said that "We did not expect a favorable Pyongyang response from the outset. We have to wait and see a little more. The permission for businessmen to visit the North amounts to resuming what was promoted two years ago and is not a matter to be dealt with by the South-North Joint Economic Committee. I think it warrants attention that the North has made no mention about the resumption of North Korea visits by South Korean businessmen."

In the meantime, experts on inter-Korean relations observed that the North Koreans' latest political offensive appears to have stemmed from a judgement that they can gain more political and economic benefits from the United States than from South Korea for the time [illegible]ng, while still upholding their pride.

The experts predicted, however, that Pyongyang will have to seek governmental dialogue with Seoul at some point, as it would be impossible to establish solid economic links with South Korea without negotiating with Seoul authorities.

Unification Board Spokesman Comments

SK1111024794 Seoul YONHAP in English 0238 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—North Korea on Friday rejected the South Korean proposal for economic cooperation, calling it "nothing new, having no substance."

The North Korean Central Broadcasting station, carrying a statement by the Committee for the Peaceful Reunification of the Fatherland, said South Korea is "not even justified in talking about cooperation and reconciliation in light of its past behavior."

The statement opened up old wounds, recalling when Seoul supported UN Security Council sanctions against Pyongyang and when it forbid anyone from expressing condolences after North Korean President Kim Il-song died in July.

"It was an eternal sin, unforgivable in even a thousand years," the statement said.

South Korean President Kim Yong-sam, in a gesture of reconciliation after a breakthrough in the North Korean nuclear impasse last month, offered Monday to ease restrictions on inter-Korean economic cooperation.

North Korea in effect refused the offer Thursday through a (North) KOREAN CENTRAL NEWS AGENCY (KCNA) report.

The committee statement placed the blame on Seoul, holding it responsible for turning away from inter-Korean rapprochement and blocking economic exchanges.

Unification Board Spokesman Kim Kyong-ung, however, noted that the statement does not say North Korea will refuse even private sector economic cooperation.

"It's too early to conclude that North Korea has refused inter- Korean cooperation in its entirety," he said.

"North Korea is most likely to accept on a case-by-case basis," the spokesman said. "The government will keep its announced measures and go ahead with follow-up measures as planned."

Yi Hong-ku Reacts to Rejection

SK1111070494 Seoul YONHAP in English 0637 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—Vice Prime Minister and National Unification Minister Yi Hong-ku said Friday that he did not see Pyongyang having rejected Seoul's proposal for resuming economic cooperation in its entirety.

"No change will be made to the government plan to promote economic cooperation with the North. The government will not make haste, but promote it with caution," Yi added.

Meeting reporters covering his ministry over lunch, Yi attached little significance to the North's denunciation of South Korean steps toward activating inter-Korean economic cooperation, which was made known through the (North) KOREAN CENTRAL NEWS AGENCY and the Committee for the Peaceful Reunification of the Fatherland.

"Resumption of dialogue on economic cooperation between South and North Korean authorities might take some time," he said. "But I think private inter-Korean economic exchanges will be realized soon."

Detailed guidelines on economic cooperation with the North will be finalized and announced later after further study by related administrative agencies, said lee.

In the meantime, Vice Economic Planning Minister Kang Pong-kyun told reporters Friday that the first-phase steps for resuming inter- Korean economic links, announced last Tuesday, would be promoted irrespective of the North's rejection. However, he called on South Korean firms to approach economic tieups with the North cautiously.

'Formal' N-S Accord Required

SK1111102694 Seoul YONHAP in English 1019 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—Deputy Prime Minister Yi Hong-ku said on Friday [11 November] there would be no substantial progress in South-North economic cooperation unless its framework is woven by the government authorities of the two sides.

"Direct investment and pilot projects, in particular, would hardly be promoted properly if they were not based on a formal inter-Korean agreement," Yi said.

In a report at a Standing Committee meeting of the Advisory Council on democratic peaceful unification held at the Sejong Cultural Center, the deputy premier said government-level consultations are absolutely required for investment guarantee and payment settlement.

He said that unless the Geneva agreement is carried out faithfully, there could be no inter-Korean economic cooperation logically at least.

"We expect that our industries will engage in economic cooperation with the North in consultation with the government," he said.

Rejecting the North Korean demand for the repeal of the National Security Law before economic cooperation, Yi said the security law has nothing to do at all with economic cooperation.

"The question of the law may be discussed only after personnel and material exchanges get much energized between the two sides," he said.

Regarding North Korea's denouncement of the recent decision of the South to resume economic cooperation on a phased basis, the deputy prime minister said he does not take the North's response as an outright rejection of it.

Reaction to Rejection Reviewed

SK1211021994 Seoul THE KOREA HERALD in English 12 Nov 94 p 2

[Article by Kim Hye-won]

[FBIS Transcribed Text] South Korean Government officials seem to have paced little importance on North Korea's criticism Thursday of Seoul's recent initiative for inter-Korean economic exchanges.

Responding to the statement issued by the North's Committee on Peaceful Unification of the Fatherland, President Kim Yong-sam yesterday said in Manila, that he didn't care much about it because North Korea would soon change.

"South Korea is the only country from which North Korea can seek substantial economic ties.

"It will, therefore, request more active investment of South Koreans ultimately," said the President during a press conference he had jointly with President Fidel Ramos of the Philippines in Manila.

Deputy Prime Minister and Unification Minister Yi Hong-ku also played down the North Korean comments in Seoul on the day, saying they were merely a "rhetoric against our own rhetoric."

He said the package of measures announced by the South Tuesday to allow inter-Korean business contacts was not a proposal and therefore, needed no response.

Yi further said that the negative response from the North was not unexpected. "Can you think of North Koreans who are confessing a joy over the Southern measures?" the deputy premier said.

Another official of the National Unification Board said the South Korean Government will pursue its own policy regardless of the North Korean reaction. Though expected, the criticizing comments from Pyongyang, however, must have been embarrassing to the South Korean Government.

An official admitted that the North Korean statement was much higher in tone than expected. While rejecting the South's initiative as "nothing new," the North Korean statement strongly attacked the South for its "confrontation-first policy" toward the North.

They also demanded that the South first abandon a "hidden sword," apologize for freezing inter-Korean relations over the nuclear issue and remove the National Security Law which they said stands in the way of improving South-North relations.

These harsh words prompted not only the opposition lawmakers but also hard-liners inside the ruling party here to ridicule the government's North Korea policy.

"I thought the government had had some kind of consultations with the North when it announced the measures for South-North economic exchanges but I was wrong," said Yi Ki-taek, leader of the main opposition Democratic Party, criticizing the government for its lack of proper tactics.

Most government officials, however, believe that despite the critical comments, North Koreans did not really mean to reject the South Korean offer for inter-Korean economic exchanges.

Deputy Premier Yi said, "The intensity of the criticisms from the North only reveals that the North Koreans are not yet prepared to accept the outcomes of the full-scope exchanges with the South."

The officials said a closer examination of the statement from North Korea provides several clues to reading the North Korean intention. They said Pyongyang at the moment, only wants inter-Korean exchanges on a private level, while avoiding the inter-governmental contacts.

The Thursday statement did not include any comments opposing such private-level exchanges despite its harsh attacks on the Southern government.

This attitude of the North Koreans, in fact, corresponds with the South Korean stance.

The measures, announced Tuesday by the South, are also aimed at encouraging private-level business exchanges on a limited scale. To implement them would not necessarily require consultations between the two governments.

Seoul plans to make public a second set of measures after the governments in Seoul and Pyongyang arrange legal and institutional safeguards to protect investment.

The fact that North Korea is contacting South Korean businessmen in Beijing also betrays its dual approach.

Pyongyang dispatched Yi Song-nok, chairman of the Koryo National Industrial Development Council, to Beijing Nov. 5 when rumors about Seoul's new initiative on inter-Korean economic exchanges had already run rampant in and outside the country. Yi and other North Korean officials are still holding business consultations with the South Koreans, issuing them invitations for visits to the North.

North Korea, in Thursday's statement, did not totally reject the possibility of inter-governmental contacts on economic exchanges, either. In it was pointed out the fact that an agreement and a joint commission for economic cooperation between the two sides already exist.

This means that North Korea will someday respond positively to reopening of the commission and implementation of the accord, officials said. North Koreans understand that inter-Korean exchanges cannot expand without reconciliations between the two governments, they said.

'Dual Attitude' Confirmed

SK1211061994 Seoul TONG-A ILBO in Korean 12 Nov 94 p 1

[FBIS Translated Text] It was learned on 11 November that an official from North Korea's Committee for the Promotion of External Economic Cooperation (chairman: Kim Chong-u) [CPEEC] reportedly told a South Korean businessman in Beijing on 10 November: "We welcome the measure to galvanize South-North economic cooperation." One high-ranking government official said that a pertinent businessman had reported this to the government, saying that the North Korean official of the CPEEC had said: "We hope that South Korea's businessmen and technicians will visit the North at an early date."

This notwithstanding, it was confirmed that North Korea is assuming a dual attitude toward the South's economic cooperation with the North, spitting out a series of harsh denunciations against South Korea's policy to galvanize economic cooperation with the North through the Korean Central News Agency [KCNA] on 10 November—the same day the North Korean official welcomed the South's policy—and again through a press statement issued on 11 November by a Committee for the Peaceful Reunification of the Fatherland spokesman.

The CPEEC is in charge of North Korea's external economic cooperation, South-North economic cooperation, and the development of the Najin-Sonbong area. In addition, the CPEEC is issuing letters of invitation to South Korean enterprises.

One government official concerned said: "It seems that it is unavoidable for North Korea to assume such a dual attitude because to its residents it has been harshly denouncing South Korea since the question of expressing condolences over Kim Il-song's death created disquiet in the ROK."

Paper Criticizes Plan Rejection

SK1211070094 Seoul HANGYORE SINMUN in Korean 12 Nov 94 p 3

[Editorial: "North Korea Must Change"]

[FBIS Translated Text] Following the North Korean Central News Agency, the Committee for the Peaceful Reunification of the Fatherland [CPRF] has fiercely criticized the ROK Government's plan to resume North-South economic cooperation. This is regrettable. The CPRF said that South Korea, which had completely blocked North-South economic cooperation in connection with the nuclear problem, suddenly flashing a smile is disgusting. It also insisted that no cooperation or reconciliation will be possible if the National Security Law is left intact. The ROK Government seems to note the fact that the CPRF statement did not use expressions that completely reject economic cooperation. We consider economic cooperation to be a valuable opportunity for North-South cooperation and reconciliation and affirmatively assess the government's position. We would like to give a few pieces of advice to North Korea:

North Korea must first refrain from its stereotypical coarse criticisms of South Korea. North Korea seems to have an intention to continuously expand North-South economic cooperation, though it may not hold intergovernmental consultations with South Korea at present. If it is to promote not only economic exchange, but exchange and cooperation in all other fields, North Korea must refrain from its usual criticisms of South Korea. For example, it must know that North Korea's use of such expressions as the "South Korean ruling bunch" and "dark colors" will only taint its leaders.

That North Korea repeatedly refers to the condolence issue does not seem reasonable. The issue of expressing condolences over Kim Il-song's death has already been discussed to a great extent in South Korea. North Korea may regret the fact that South Korea did not express condolences, however, we do not think it is right for it to link this issue to the nation's future.

Speaking cool-headedly, North Korea must stop demanding that the National Security Law be abolished. HANGYORE SINMUN has persistently demanded this law be abolished, however, we have not demanded this law be abolished because we sympathize with North Korea's demand. We believe the law is an obstacle to North-South reconciliation and cooperation and that the law must be abolished to achieve democracy in our country. This law should be revised or abolished upon the judgment of the government and people. Likewise, we believe it is time North Korea put its house in order by doing such things as revising its criminal law.

North Korea reportedly has an intention to join the ASEAN regional security forum and the Asia-Pacific Economic Cooperation forum. North Korea seeks to participate positively in regional consultative organizations following its admission into international organizations. Nevertheless, it does not positively seek to promote North-South reconciliation. We cannot understand this. We hope North Korea will not painstakingly deny the fact that no civilian North-South economic cooperation will possible without governmental assistance.

Warning About Divisive Tactics

SK1211055294 Seoul TONG-A ILBO in Korean 12 Nov 94 p 3

[Editorial: "What Is North Korea's Ulterior Motive?"]

[FBIS Translated Text] As had been expected, North Korea made clear its position of rejecting the ROK Government's policy to allow ROK enterprises to advance into North Korea on 10 November. North Korea expressed its rejection through three channels—the Korean Central News Agency [KCNA], the Central Broadcasting Network in Korean, and the Committee for the Peaceful Reunification of the Fatherland [CPRF], which is an organization of the Workers' Party of Korea involved in undertaking anti-South operations. Rejecting the ROK proposal to materialize South-North economic cooperation, North Korea still adopted its obsolete method of spitting out spiteful denunciations against the South. We want to ask North Korea yet again: Why are you doing this? What is your ulterior motive?

Some people say North Korea's rejection is "not a complete rejection," saying that North Korea expressed its rejection in such a way as to point out the intergovernmental transactions, while keeping its mouth shut on economic cooperation between civilians. It has been learned that business talks are virtually underway between ROK businessmen and pertinent officials of North Korea in Beijing, PRC. The CPRF, however, did not hesitate to spit out rude remarks calling South Korea's proposal for economic cooperation "an artifice aimed at escaping from international isolation and crisis" or "a disguise designed to cover up national division and its wicked nature" in its press statement. In addition, the statement referred to [President Kim Yong-sam] as "a traitor," while calling upon the ROK to "apologize" first for having pursued a confrontational policy against the North with regard to the nuclear issue, and also demanded the abolition of the National Security Law.

North Korea is so undisguisedly dual-natured as to distinguish between the ROK Government and civilians. This notwithstanding, the enterprises, which have been fidgety as if they had struck a gold mine, are of the opinion that this is progress compared to the past. They are assuming an optimistic attitude that such a thing was already expected. But, they should not overlook North Korea's intentions in differentiating between the government and civilians. This means that North Korea wants South Korean enterprises to go beyond the boundaries set by the ROK Government to visit North Korea on their own. In this way, North Korea may want to propagandize that the South Korean enterprises advancing into North Korea are "national capitalists" who sympathize with the North Korean system and want to contribute to such a system.

As long as it does not give up its strategy of the united front, North Korea will push more energetically for a strategy of an economic united front targeted at the South Korean enterprises. North Korea's demand for the abolition of the National Security Law is connected with this. In the process of its negotiations with the United States on the nuclear issue, North Korea maintained that South Korea's National Security Law is a stumbling block to the improvement of South-North relations; and for unknown reasons, even high-ranking officials of the U.S. Department of State, who met with North Korean officials, touched upon the question of the National Security Law. Making the most of the circumstances in which an increasing number of people in the South Korean society are advocating economic cooperation, North Korea may harbor a preposterous idea of again stressing—to the U.S. Department of State—the need to have the National Security Law abolished.

As far as North Korea is concerned, the economy is still subordinate to politics; and the strategy of the united front is the core of North Korea's policy toward the South. We expect to hear more on their demands to separate civilians from the government and to abolish the National Security Law. The issue of pushing for South-North economic cooperation is a part of the trend of the times that cannot be rejected. But, as long as there is a party trying to take advantage of economic cooperation for political purposes, we should materialize economic cooperation in such a way as to grasp what we need to know and make watertight preparations. We would like to repeatedly emphasize: It would be really dangerous for competing enterprises to try to curry favor [with North Korea] in order to achieve their goals.

Official Outlines N-S Science Cooperation

SK1211113794 Seoul KYONGHYANG SINMUN in Korean 12 Nov 94 p 2

[By So Pae-won]

[FBIS Translated Text] The ROK Government has mapped out a three-stage plan for science and technology cooperation with North Korea, judging that North Korea would ask for cooperation in this field once the atmosphere of North-South cooperation is created.

The first stage covers exchanges between scholars and study groups, ecological surveys of the DMZ, joint research of the Yellow Sea, and the standardization of science terminology; the second stage will seek cooperation between research complexes; and the third stage will pursue joint development of the North and South Korean continental shelves as well as the establishment of a joint research institute.

This was revealed on 11 November by Han Yong-song, vice minister of science and technology, at Aju University in Suwon during a keynote speech on North-South science and technology cooperation delivered at a fall seminar organized by the Korea Energy Engineering Association.

Han stated: Expanded cooperation in science and technology will play a leading role in accelerating economic cooperation and reunification. The government is planning to establish a cooperation committee in charge of science and technology cooperation as well as an organ in charge of research planning.

During the first stage, the government plans to create conditions for cooperation by fostering cooperation in those professional fields possessing less conflict of interest between the North and South (ecological surveys and meteorological cooperation); during the second stage, exchanges and joint research are planned between research complexes, the goal being industrial technology cooperation; during the third stage, science and technology capital, including joint development of the continental shelf, will be jointly established utilizing all measures of cooperation available.

In the field of energy, which has greater feasibility, the government plans to jointly develop clean-coal technology; build oil refineries and power plants that combine ROK capital and technology with North Korean manpower; and cooperate in fields related to the supply of light-water reactors. The government is also examining measures to solve the seasonal and sectional imbalance of energy demand and supply in North and South Korea through strategic alignment in energy and resource fields, including the supply of coal manufacturing equipment to North Korea, seasonal electric power exchanges, and joint construction of energy facilities.

Meantime, Manning Munching [spelling of name as published], chairman of the Federation of International Atomic Energy Science Associations and director of regulations for the U.S. Atomic Energy Science [as published], said: The failure to halt North Korea's nuclear program would provide neighboring countries with excuses to develop nuclear weapons under the pretext of self-defense.

Musician's Trip to North Linked to Succession

SK1311023994 Seoul YONHAP in English 0227 GMT 13 Nov 94

[FBIS Transcribed Text] Berlin, Nov. 13 (YONHAP)—Eminent Korean music composer Yun I-sang has left for Pyongyang with his wife on a North Korean plane to participate in a musical event to be held in the communist country's capital, sources here said Sunday (KST).

The sources close to Yun revealed that Yun, 77, left Berlin's Schoenefeld airport with his wife Yi Su-cha, 69, Friday afternoon on the Air Koryo Flight JS216.

In early September, Yun wrangled with the South Korean Government over the terms of his homecoming, demanding Seoul's guarantee of his personal safety during his visit. The Seoul government, on the other hand, maintained that he should apologize for his pro-North Korean activities.

The sources explained that Yun was to attend a ceremony commemorating the 10th anniversary of Yun I-sang Musical Institute in downtown Pyongyang.

However, another source predicted, as the scheduled ceremony is still a month away, his visit to North Korea "may have relation with the presidential succession of North Korea's Kim Chong-il."

U.S. Plans To Improve Ties With North Noted

SK1111065994 Seoul CHOSON ILBO in Korean 11 Nov 94 p 2

[By reporter Kang Hyo-sang]

[FBIS Translated Text] The U.S. Government has observed that it may allow U.S. businesses to establish their offices in North Korea and lift the ban for Americans to visit the North in three to six month's time. A U.S. Government analysis also observed that the United States will lift the embargo, except for strategic goods, and the ban on technology exports to North Korea in six months from now when the United States will establish its liaison office in North Korea. By that time, the

United States will allow its ships and airplanes to begin operating in and establish communications network with North Korea.

In a report entitled "The Improvement of North Korean-U.S. Relations and Our Measures on It," the government observed on 10 November that the North Korean-U.S. relations will be pushed ahead with a two-stage process, namely, the establishment of a liaison office and diplomatic relations, which differ from the pattern set with Vietnam or China. The report observed in particular that the liaison office will perhaps have not only the consular function of issuing visas and protecting fellow countrymen, but the diplomatic negotiation function (political and economic) as well, and that, therefore, the North Korean-U.S. relations will probably progress quickly. Accordingly, the report observed that the U.S. Government will allow U.S. businesses to conduct trade with North Korea in three to six months and to establish their offices in North Korea within the scope allowed by the Department of Commerce as a first stage step. The report observed that the U.S. Government will, as a second-stage step, lift the ban on the trade embargo on North, except for strategic goods, and the ban on export of goods and technology within the scope allowed by Department of Commerce in six months when the liaison office is established.

U.S. Plan on Developing Countries List Protested

SK1111031694 Seoul CHOSON ILBO in Korean 11 Nov 94 p 2

[Report by Choe Won-sok]

[FBIS Translated Text] The United States is going to have the U.S. Trade Representative [USTR], its domestic organization, handle the issue of designating developing countries in the course of formulating the draft law on the implementation of the Uruguay Round agreement. The United States also decided to exclude the ROK, Hong Kong, Singapore and the like, from the list of developing countries to be designated as beneficiaries of assistance funds. It was learned on 10 November that our government made a strong protest against the U.S. plan.

In an explanation session on "The Opening of the World Trade Organization" for the Democratic Liberal Party, Chong Ui-yong, director general of the Bureau of Trade in the Foreign Ministry, said that "Regarding assistance funds, Article 267 of the U.S. Implementation Law stipulates that the USTR is to designate developing countries, and a U.S. administrative order provides that the USTR is to exclude the ROK and the like from the list of developing countries. As a result, Han Sung-chu, ROK ambassador to the United States, issued a protest to the United States."

DLP on U.S. Congress' Actions on UR Accord

SK1111064894 Seoul YONHAP in English 0623 GMT 11 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—The ruling Democratic Liberal Party (DLP) plans to wait and see how the U.S. Congress deals with a motion to ratify the Uruguay agreement before acting itself, a DLP official said Friday.

If the U.S. Congress, both houses of which will be controlled by the Republican Party starting Jan. 1 following the recent midterm elections, puts off ratifying the UR [Uruguay Round] agreement until next year, the DLP may study ways of carrying the National Assembly ratification of the World Trade Organization (WTO) bill forward to next year as well, according to the official.

Yi Se-ki, chairman of the DLP Policy Committee, said, "We will go on dealing with the motion according to our schedule, but we will also refer to the action by the U.S. Congress on the UR accord."

First State Minister for Political Affairs So Chung-won said, "It is true that we are paying attention to the time of U.S. action on the UR accord."

DLP vice spokesman Son Hak-kyu chimed in: "We will keep readying ourselves with the expectation in mind that the U.S. Senate will deal with ratification of the UR accord on Dec. 1. but it is not our official position that we must deal with the motion after the U.S. Congress handles it."

He added that the exact timetable for taking up the motion has yet to be decided.

Auto Issues Discussed With U.S. Trade Minister

SK1111115994 Seoul YONHAP in English 1150 GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 11 (YONHAP)—South Korean and American trade ministers met at the Convention Center here in Jakarta Friday [11 November] to discuss trade issues pending between their countries.

During the talks, U.S. Secretary of Commerce Ronald Brown strongly demanded further opening of South Korea's auto market.

He specifically asked for the correction of South Korea's assessment of "discriminatory" special excise tax on foreign vehicles and also for the improvement of Korean consumers' perception of foreign cars.

Trade, Industry and Energy Minister Kim Chol-su said South Korea would lower the auto import duty from the present 10 percent to 8 next year to further open the auto market.

He said the imposition of staggered auto-related taxes depending on engine displacement is a question related to Korea's internal revenue and energy policies.

"So, it is not desirable for the United States to raise an issue of it," Kim said.

The two ministers agreed to form Korea-U.S. industrial cooperation conferences by industry prior to the planned visit to Korea by Secretary Brown and a group of leading American businessmen early next year.

U.S. Elections Results Cause Mixed Reactions

SK1111034494 Seoul THE KOREA HERALD in English 11 Nov 94 p 2

[By staff reporter Kim Hye-won]

[FBIS Transcribed Text] The double democratic defeat in midterm elections in the United States is bringing about mixed responses from officials and politicians here.

While some hardliners inside the government and the National Assembly look upon the Republican victory as encouraging, many others express worries about a possible change in U.S. policy concerning the North Korean nuclear issue because of the conservative stance of the Republicans on that matter.

Government officials in general do not expect the political development in Washington to cause a drastic change in its policy toward the Korean Peninsula.

Foreign Ministry spokesman Chang Ki-ho said Washington is expected to remain consistent in its foreign policy and its policy toward South and North Korea.

"I want to remind you of Christopher's remarks that U.S. policy toward Korea has strong bipartisan support and that it needs continuity," he said.

The Republican control of the U.S. Congress is raising the hope of a firmer U.S. commitment to the security of South Korea from those among the conservatives in the ruling party and the government.

Some officials say the occasional discussions in the United States on cutting the size of U.S. troops in Korea will likely end in view of the conservative inclination of the Republicans. But some others predict difficulty of the Clinton administration obtaining a Congressional approval for implementing its agreement with North Korea.

They said many Republicans including Bob Dole of Kansas, who is certain to become Senate majority leader, were very much critical of the U.S.-North Korea agreement in Geneva.

The Clinton administration, therefore, may face difficulty in getting Congressional approval for providing assistance to North Korea in building light-water nuclear reactors, they said. In that case, a delay in implementation of the Geneva accord is also possible.

This critical stance of the Republicans may also affect the ongoing U.S.-South Korea negotiations on their roles in an international consortium for building the light-water nuclear reactors in North Korea, the Korea Energy Development Organization (KEDO) and other matters, they said.

A Foreign Ministry official, however, did not place much significance on these Republican criticisms, saying that they were largely political offensives aimed at the Clinton administration during the midterm elections, which were only weeks away at the time.

He said the Republican victory would give Clinton a hard time in handling domestic affairs. But foreign policy is solely the realm of the president and therefore, Republicans cannot exercise much influence in that area, the official said.

Officials of the ruling and opposition parties of Korea generally agree on these assessments of the government but their responses were somewhat different.

Lawmakers in the ruling Democratic Liberal Party [DLP] generally reacted positively to the new political developments in Washington. The change in the U.S. Congress, however, was much more upsetting to their counterparts in the main opposition Democratic Party.

Rep. Pak Chung-su of the DLP forecasts a slower development of U.S.-North Korea relations, while expecting no big changes in U.S. policy toward Korea in general.

Pak cited as a positive point in the political development in the United States, the fact that many Republicans are quite familiar with Korean affairs.

Rep. Yun Tae-kyun said the Republican control of the Congress may help the South Korean government to have a greater voice in inter-Korean matters. He said Seoul may be a little relieved from pressures from Washington concerning market opening because the Republicans tend to be less protectionist than Democrats.

Officials of the opposition Democratic Party, on the other hand, were much more concerned. They say there is a high possibility that Washington may turn tougher on the North Korean nuclear issue.

Rep. Kim Won-ki expressed worries about the possible deterioration of Seoul-Washington relations, saying that President Kim Young-sam is closer to the Democrats in the United States in many ways.

Rep. Choe Chung-ku, a former political dissident, refused to place a political meaning on the Republican victory, saying that the South Koreans should not take this as a "return of the conservatives" in the United States.

It was only the result of Clinton's failure in foreign policy and the sex scandals around him, Choe said, in an apparent attempt to diminish its significance.

Japanese Envoy on Resuming Talks With DPRK

SK1411074494 Seoul YONHAP in English 0730 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—Japan will not resume diplomatic normalization talks with North Korea without addressing first the whereabouts of a Japanese woman allegedly abducted by Pyongyang, Tokyo's ambassador to Seoul was quoted as saying Monday.

Amb. Shintaro Yamashita told South Korean ruling party lawmakers that the diplomatic talks will have to come after questions about the woman, identified as Yi Un-hye, are answered, Rep. Yi Se-ki said after a morning meeting.

Kim Hyon-hui, a North Korean terrorist, planted a bomb on a South Korean passenger jet in November 1987 on its way to Seoul from Bahrain. The saboteur, now living in Seoul, identified Yi as her Japanese-language tutor in Pyongyang.

Japanese authorities say Yi, who has been missing for years, was apparently kidnapped by North Koreans and taken to Pyongyang.

Japan-North Korea normalization talks, which once flourished, went into hiatus after Pyongyang walked away from the negotiating table over Yi's case.

The ambassador suggested that Tokyo will not make the first overture to resume the broken dialogue, saying Japan will accept if North Korea proposes reopening the negotiations.

Such talks will remain within the framework of Seoul-Tokyo ties and South Korea will be consulted fully in advance on all developments, the envoy was quoted as saying.

The talks will also adhere to the terms of the U.S.-North Korea nuclear agreement, he said, and there can be no rapprochement unless the nuclear issue is resolved.

Meanwhile, Yamashita told lawmakers Japan plans to ratify the World Trade Organization (WTO) bill around Dec. 3.

Russia's Panov Interviewed on DPRK, Economy

SK1411060194 Seoul SEOUL SINMUN in Korean 14 Nov 94 p 5

['Exclusive' interview with Aleksandr Panov, Russian deputy minister of foreign affairs, by Yi Ki-tong in Moscow on 12 November]

[FBIS Translated Text] [Yi Ki-tong] What is the situation in North Korea?

[Panov] During my stay in Pyongyang last September, I heard that Kim Chong-il had already and completely held the reins of the military, the state, and the party organization. The North-U.S. negotiations were conducted completely in conformity with his intentions. We do not know as to when the party Central Committee will be held. I do not think there is any special reason why the elections of the president and the general secretary are being delayed.

[Yi] Following an agreement between the North and the United States, it seems that Russia's position has not been reflected in the process of the discussions of aiding in North Korea's construction of light-water reactors, does it?

[Panov] Russia has always supported a package method of solving questions on the Korean peninsula. I do not think the North-U.S. framework agreement did not reflect our position. North Korea's decision to replace the graphite-moderated reactors with light-water atomic reactors was based on our own idea. Russia is ready to participate in an international consortium to aid in North Korea's construction of light-water reactors. We have already had an experience of joining hands with North Korea in the construction of an atomic power plant on the basis of an agreement on the construction of atomic power plants between the two countries. Our experts have once even finalized the selection of a site for such a plant. In that sense, we have already contributed to such a consortium. On several occasions, North Korea, too, has remarked that Russia's technology and equipment will be very useful to the construction of light-water reactors. Russia hopes that various countries will have an equal share in participation in the consortium. For example, Russia can supply an atomic reactor, while other countries can aid in electric equipment, safety, and computer systems.

[Yi] Have you been asked by the ROK, the United States, or Japan to participate in the international consortium?

[Panov] No, not yet.

[Yi] Can the site, which was selected for an atomic power plant, be used for the construction of light-water reactors?

[Panov] At that time, a site was selected with help from the Russian experts and spadework was completed. That site will be the best for the construction of light-water reactors.

[Yi] What is Russia's stance toward the withdrawal of U.S. Forces from the ROK and the reduction of military capabilities of South and North Korea?

[Panov] Generally speaking, the gradual withdrawal of U.S. Forces from the ROK, as well as the reduction of tension, will be a natural conclusion. Of course, to this end, it is necessary to secure a device and restore trust, first of all, to the extent that no party can create trouble [punjaeng].

[Yi] With the North-U.S. agreement as momentum, is it possible North Korea will go in the direction of opening up?

[Panov] When the international consortium begins its operations, an exchange of visits with the international community will be inevitable. I think that North Korea's cooperation with the international community, including the ROK, and its opening up will be unavoidable. As far as North Korea is concerned, this will, of course, not be easy. I understand that the possibility for genuine South-North cooperation is higher than ever before.

[Yi] What are the prospects for future Russian-North Korean relations? Is there any possibility that the two countries will resume their relationship of military cooperation?

[Panov] In a word, the two countries will move in the direction of maintaining a normal relationship between states. In particular, it is natural for the two countries to galvanize their economic relations. In North Korea, there are many plants of various kinds that were built during the former Soviet Union era. The two countries are in a position of respecting reciprocity in various fields such as construction and trade. There is no plan yet to resume the relationship of military cooperation. Of late, there has been no proposal from North Korea to purchase weapons, either.

[Yi] Russia has made a promise to revise Article 1 of the "Treaty on Mutual Friendship and Mutual Assistance," which stipulates automatic intervention of the North and Russia in a war. What is your opinion?

[Panov] The interpretation of Article 1 has already been changed into meaning that "military assistance will be provided in case one party experiences an unprovoked invasion." Russia is supposed to judge if it is "an unprovoked war." Accordingly, there is no particular reason to revise it at the present moment. Because this treaty will expire in two years, we will decide next year as to how to deal with this treaty.

[Yi] Will the negotiations to deal with Russia's debt to the ROK and the first ROK-Russian joint economic committee, which is slated for the end of this month in Seoul, be held as scheduled?

[Panov] There have been several negotiations to repay the debt in weapons, but this is only a beginning. It has become unclear whether to hold a joint economic committee conference because Deputy Prime Minister Shokhin has recently resigned. It is still unknown when such a conference can be held.

[Yi] As Russia has normalized relations with North Korea, some people worry that its relations with the ROK might weaken to some extent. What do you think of this?

[Panov] We will not sacrifice the ROK's interest, while normalizing our relations with North Korea.

Contract for Russian Aircraft Carriers Confirmed

OW1211130994 Tokyo TOKYO SHIMBUN in Japanese 11 Nov 94 Morning Edition p 1

[By correspondent Toshihiro Ishihara]

[FBIS Translated Text] Seoul, 10 Nov—Answering inquires from the TOKYO SHIMBUN on 10 November, "Yongyutong," a South Korean firm located in Seoul's Kangnam District and (headed by Cho Tok- yong), confirmed the fact that it has concluded a contract with Russia for the purchase of two Russian aircraft carriers, including the carrier Minsk. Asked about the possibility of the two Russian aircraft carriers being diverted to military use, the South Korean firm said: "We are contracted to purchase the two Russian aircraft carriers on condition that they are dismantled into scrap of 1-2 meters in length after they are delivered to us. We will be unable to resell them to any third nation. It is totally impossible."

The South Korean company also said Russian officials will observe the dismantling of the two Russian aircraft carriers to check whether they are dismantled as provided for in the contract so that it will be impossible to use them again after preparing them. The South Korean company added that there is a facility in Pusan, South Korea, that is capable of dismantling the aircraft carriers, and it will soon decide whether to have them dismantled in South Korea or China where dismantling costs are less.

Seoul, Beijing Adopt Technical Exchange Accord

SK1411064894 Seoul YONHAP in English 0642 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—The Seoul-Beijing Council for Economic Cooperation (SBCEC) adopted a joint declaration designed to activate technical information exchanges at its first joint session here Monday.

In the declaration, the Seoul Chamber of Commerce and Industry (SCCI) and the China Council for the Promotion of International Trade (CCPIT) agreed on trying to promote industrial and technical cooperation and information exchanges, enhancing understanding between the two cities' businesses by exchanging economic and investment missions, and sponsoring such events as business talks, seminars and exhibitions.

The declaration calls for the Beijing side to invite a Seoul economic delegation and help Seoul publish projected Beijing-related materials. Seoul city, in return, proposed that a Beijing economic mission visit Korea.

Both parties also agreed to cooperate in establishing a Seoul pavilion in Beijing.

SCCI Chairman Kang Sin-ho and his Chinese counterpart Deng Peide led their respective sides.

Swedish King Arrives for Unofficial Visit

SK1311030494 Seoul YONHAP in English 0300 GMT 13 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP)—Sweden's King Carl XVI Gustaf arrived in Seoul Sunday morning on an unofficial visit with a group of businessmen to promote the scientific and technological cooperations between the two countries.

During his trip to South Korea until Friday, King Gustaf is to meet Prime Minister Yi Yong-tok for talks on mutual concerns including the increased bilateral relations between the two countries.

He is also scheduled to visit South Korea's major scientific research complex in Taedok and industrial areas.

He will visit the truce village of Panmunjom and meet Swedish delegates to the Neutral Nations Supervisory Committee which overseas the Korean armistice.

Plan To Purchase Missiles From France Reported

SK1111031494 Seoul TONG-A ILBO in Korean 11 Nov 94 p 2

[Pang Hwi-nam reports from Paris]

[FBIS Translated Text] LE MONDE reported on 10 November that the ROK plans to purchase 190 Mistral anti-air missiles from France.

The daily reported that the ROK Government will soon sign a contract of 0.2-0.22 billion francs with Matra Co., a French manufacturer of Mistral missiles. Mistral missiles that are reportedly to be purchased by the ROK Government are anti-missiles loaded on war vessels.

In 1992, the ROK purchased ground-to-air missiles from Matra Co.

Seoul, Canada Agree to Technology Committee

SK1111022794 Seoul YONHAP in English 0128 GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, Indonesia, Nov. 11 (YONHAP)—South Korea and Canada agreed Thursday to form an industrial technology cooperation committee as a first step toward establishing "special partner relations" which will meet early next year.

Trade, Industry and Energy Minister Kim Chol-su met with Roy MacLaren, Canadian minister for international trade, here and the two men decided to hold a working-level meeting soon to discuss details of the committee including where to meet.

The fields in which the two nations wish to cooperate are atomic power generation, life science, the environment, medical equipment and electronics. They plan to exchange technology information and discuss how to commercialize their technology in the committee.

Kim asked MacLaren to continue offering General Preferential Tariff (GPT) treatment to South Korean goods and to lower the GPT in proportion to Uruguay Round tariffs.

MacLaren said he will give the request favorable consideration and try to reflect it in Canadian trade policy.

Kim also pointed out that some South Korean goods including albums are regulated by Canadian anti-dumping regulations for a period of more than five years, urging the Canadian minister to lift the regulations.

In making the request, Kim cited the spirit of the "sunset clause" in the World Trade Organization (WTO) agreement, which automatically lifts anti-dumping regulations in five years.

MacLaren in turn wanted South Korea to lower tariffs on Canadian agricultural products including barley. Kim requested that as many Canadian firms as possible participate in the Taejon APEC technomart to be held in South Korea next May.

Kim is scheduled to deliver a speech to the Asia-Pacific Economic Cooperation (APEC) ministerial meeting Friday morning before he meets with U.S. Secretary of Commerce Ronald Brown.

More on Yi Ki-taek Demand on Coup-Like Incident

SK1111084794 Seoul YONHAP in English 0737 GMT 11 Nov 94

[By Kim Myong-chol]

[FBIS Transcribed Text] Seoul, Nov. 11 (YONHAP)—Yi Ki-taek, chairman of the main opposition Democratic Party (DP), appears to be staking his political life on his demand that former Presidents Chon Tu-hwan and No Tae-u and others involved in the "coup d'etat-like incident" of December 1979 be indicted on charges of "military rebellion."

Yi told reporters Thursday [10 November] that he would quit politics if his demand failed to lead to further action.

He said earlier that he would give up the party chairmanship to concentrate on the battle as a plain lawmaker and then went so far as pledging that he would even quit his parliamentary seat if necessary to seek indictment. Having thrown down the gauntlet, he seems determined to fight with his back to the wall.

The DP leader has in effect declared war in pressing for indictment of the two former presidents and their men at the risk of his own political neck.

Within his own party, not a few democrats are saying they don't know why their boss has become so hawkish.

Over in the ruling camp, a high-level official says, "Chairman Yi looks to have emptied his mind. He's come up with so strong a demand that we don't know how to deal with him."

This official even remarked that if Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, tried to check Yi's hawkish behavior, a nasty spat would erupt between the former and incumbent opposition leaders, suggesting that nobody can restrain his political adventurism.

Why is Yi staking his political life on securing legal action against Chon, No and company for their roles in the coup d'etat-like incident more than a decade ago?

The prevailing view in both the ruling and opposition camps is that Yi, demanding a court trial for the perpetrators of the military rebellion, wants to show that he is a strong opposition leader.

Since becoming DP leader in 1993, he has kept mum on major political issues, and this has led people in and outside of the party to criticize him for weak and shilly-shally leadership.

Yi, taking such criticism as a political challenge, must have been waiting for an opportune time to strike back in view of the complex factional power games in his party.

The wait apparently ended as he seized on the prosecution's decision to shelve the indictment of Chon, No and company on military mutiny charges as an opportunity to execute a backlash.

A DP non-mainstreamer says Chairman Yi is indeed staking his political life on his opposition to the prosecution's decision, lashing out at those who call him a weak and indecisive leader.

"In the shadow of Kim Tae-chung, his predecessor, his position as DP leader has been shaky: And now facing the local elections next year and the general and presidential elections beyond, he must be wanting to establish his party leadership as firm, getting rid of Kim's influence," he remarks.

Yi has stressed the purity of his fight against the prosecution's decision, saying it is a matter of historical concern to lift the national spirit, not a matter of political concern.

By raising an issue which nobody dares oppose in the party, he must want it to unite firmly around him in his fight and thus respect him as a strong leader.

Other analysts take Yi's hawkish stance as a reaction to President Kim Yong-sam's discounting of him.

Yi and DP Spokesman Pak Chi-won have cited President Kim's disregard for the people and the DP as a key reason for the anti- prosecution fight.

The analysts say Yi is not simply being rash: He is truly confident that he will defeat President Kim in this particular battle.

Yi, selling himself as an unswerving pillar, has said he will push through whatever decision he makes. He predicted: "President Kim knows me better than anybody else because he worked with me in the opposition camp years ago, and I believe he will accept my demand."

Fat chance. There is absolutely no way the government will accept his demand. Some DP members have even quipped, "he is looking up at a tree he cannot climb."

Moreover, Yi's hawkish stand appears to be straining his relations with Kim Tae-chung and, in view of Kim's strong influence over the DP, Yi is endangering his own political future.

Nonetheless, Yi seems to regard this fight as a matter of life or death to his political life—just as he staked his future on the April student revolution in 1960, the national convention of the defunct New Democratic Party in May 1979 and his opposition to the merger of the three parties (Democratic Justice, New Democratic and Democratic Republican) in 1981.

DLP Warns Opposition About Assembly Boycott

SK1311012894 Seoul THE KOREA TIMES in English 13 Nov 94 p 2

[FBIS Transcribed Text] The ruling Democratic Liberal Party [DLP] warned yesterday that it is ready to convoke National Assembly plenary and standing committee sessions unilaterally to deliberate the budget, World Trade Organization (WTO) and other important bills if the opposition Democratic Party [DP] continues to boycott the Assembly.

The DP has boycotted the Assembly since last week, demanding that the prosecution indict former presidents Chon Tu-hwan, No Tae-u and others whom it accused of masterminding the mutiny on Dec. 12, 1979, reversing its earlier decision to spare them from prosecution.

After the ruling party's key post holders meeting yesterday morning, DLP spokesman Rep. Pak Pom-chin said, "We will wait a little longer for the opposition DP to return to the Assembly. But our patience is running out and if the DP continues to boycott the Assembly, we cannot but convoke the Assembly alone."

He said that this is the official policy of the ruling party which was decided at yesterday's key post holders meeting. DLP secretary general Mun Chong-su told reporters, "This time we really mean it."

DLP chairman Kim Chong-pil also reiterated his earlier remarks that the ruling party cannot afford to let oppositionists sway Assembly politics for its partisan interests indefinitely.

In a rally to reorganize the DLP chapter in the Kuro-B electoral district, southern Seoul, Friday, Kim said, "The National Assembly's sacred duty is to deliberate and pass the national budget directly connected with the people's livelihood within the legal deadline."

Kim warned, "We will wait a little longer. But if the DP's boycott of the Assembly continues, we have no choice but to go ahead alone."

The warning by Kim and other DLP leaders are according to political observers, meticulously calculated political maneuvering aimed at fanning harsh public criticism against the DP so as to prod opposition lawmakers to return to the Assembly.

It is also aimed at sowing seeds of dissension among doves and hawks within the opposition party.

According to DP insiders, the extraordinary hardline policy is spear-headed by Yi Ki-taek, chairman of the largest opposition party whose leadership has constantly been questioned by non- mainstreamers, while many co-chairman including Reps. Kim Sang-hyon, Yi's archrival, and Yi Pu-yong insist on returning to the Assembly.

The DLP, of course, has to prepare for possible catastrophe, resulting from the DP's uncompromising attitude and the subsequent DLP's unilateral operation of the Assembly. The pre-warning by DLP leaders will spare the ruling party to some extent from severe criticism from the general public, according to political analysts.

Anyhow, the DLP leadership will exert every effort to avoid unilateral operation of the Assembly. But they cannot let the political impasse continue indefinitely because of the budget and host of law bills that must passed before the regular Assembly session ends.

DLP leaders apparently believe that time is on their side with the people's impatience growing and media criticism mounting against the oppositionists' intransigence.

DLP floor leader Yi Han-tong will preside over meetings with the ruling party's vice floor leaders and standing committee chairmen in succession Monday to discuss the floor strategy in case of the DLP's unilateral Assembly operation.

Official Silent on Government-Opposition 'Row'

SK1411065494 Seoul YONHAP in English 0635 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—Amid the deepening government-opposition row over the prosecution's decision not to indict former Presidents Chon Tu-hwan and No Tae-u and others involved in "the coup d'etat-like incident" of Dec. 12, 1979, on charges of military rebellion, Asia-Pacific Peace Foundation Chairman Kim Tae-chung is raising eyebrows with his silence.

Kim, the godfather of the main opposition Democratic Party (DP) which he led until his abortive grab for power in the 1992 presidential election, has avoided comment on the current political tension since returning from a trip to China last Thursday, while turning down DP leader Yi Ki-taek's request to meet in a roundabout way.

Kim's behavior is in marked contrast to his ready offer of advice whenever the DP faced a major political issue in the past. In any event, Kim's followers in the DP appear to be reluctantly backing Yi's diehard anti-government campaign.

Kim's silence, along with his followers' half-hearted support for Yi's hawkish stand, has given rise to much speculation both in and outside of the opposition party.

One theory goes that Kim's silence indicates his displeasure with Yi's hawkish anti-government struggle.

The emotions of DP lawmakers, especially the younger ones, against Chon, No and company are still strong and the party's official position is to struggle to bring this group of mutinous former Army officers before a court of law. This being the case, Kim dare not openly interfere in the party.

Kim revealed his "inner mind" regarding the DP's anti-government struggle when he snapped that "the opposition hasn't changed, either." He was referring to the party's boycott of a parliamentary plenary session over the collapse of a Han River bridge in Seoul last month.

Rep. Kwon No-kap, who heads the Kim faction in the DP, indirectly expressed his dissatisfaction with the way Yi is leading the party when he said, "When I was in Japan the party decided its position on the Dec. 12 incident, but Chairman Yi had no prior talks with me about it."

Moreover, Kim is known to have registered strong complaints about Yi's political maneuvering at a recent meeting with mid-level DP leaders.

Kim's silent criticism of Yi's attack on the government over the Dec. 12 incident was occasioned by his having missed a chance to advise the DP.

A close associate quipped, "Chairman Yi has already crossed the rubicon."

Kim is concerned that his belated and untimely check on Yi's maneuvering would hamper the latter's ability to stand on his own, independent of Kim's influence, and would confirm government muck- rakers' belief that Kim is behind Yi's anti-government campaign.

Furthermore, Kim does not want to cause any misunderstanding now that his followers are waging a war of nerves with Yi's DP mainstreamers over when the party should convene the next national convention.

Another theory has it that Kim's silence has much to do with his insight into politics in the days ahead.

A DP source remarked: "It appears that Chairman Kim has concluded that again making a political issue of the Dec. 12 incident, which the party already dealt with under his leadership, simply poses an obstacle to his far-reaching political plan."

If Yi managed to win the fierce anti-government battle he himself triggered, he would succeed in his bid to stand on his own politically and Kim, hating to imagine such a possibility, has refrained from meddling in Yi's political campaign.

In addition, Kim must have reckoned that playing a role in Yi's anti-government struggle would not aid his bid to win conservatives over to his political cause, nor would it boost preparations for his return to politics.

In fact, not a few government party officials see in this light Kim's tete-a-tete with former lawmaker Pak Chol-on late last month as well as his frequent contacts with conservative lame-ducks.

For instance, Kim sat as adviser on the memorial committee for the 15th anniversary of former President Pak Chong-hui's death and kept his followers in and outside of the DP from signing a class-action suit against Chon Tu-hwan and others for fabricating the so-called Kim Tae-chung insurrection case.

Still another view holds that Kim Tae-chung believes the opposition should not push President Kim Yong-sam too far as he already shoulders too heavy a political burden. He once said, "It's necessary in many aspects for us to look as if we were helping President Kim."

Despite all the speculation, Kim plans to hold a press conference at the 63 Building this coming Thursday to formally announce that his foundation will sponsor an Asia-Pacific democratic leaders' meeting early next month.

It thus appears that he will devote himself to the business of his peace foundation for the time being, while continuing to stay out of the DP's anti-government struggle.

Whatever he does or doesn't do, officials of Kim's foundation are worried that the continuing political tension may reduce the weight of this international meeting in the local political community.

Burma

UN Human Rights Commission Envoy Visits

Meets Government Officials

BK1011162094 Rangoon Radio Myanmar in Burmese 1330 GMT 10 Nov 94

[FBIS Translated Text] Professor Yozo Yokota, representative of the United Nations Human Rights Commission, accompanied by delegation members Mr. Quin Gazio and Miss Zami Hada [name as heard], met with Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence, at the Guest House on 16 Park Road at 1400.

At 1600 this evening, Professor Yokota and party met with U Than Aung, general secretary of the Union Solidarity and Development Association [USDA], and USDA Secretaries U Khin Maung Thein, U Win Sein, and U Ko Lay at Yangon [Rangoon] City Hall.

Agenda, Concerns Viewed

BK1111130994 London BBC in Burmese to Burma 1345 GMT 10 Nov 94

[FBIS Translated Text] Professor Yozo Yokota, a special envoy of the United Nations, has arrived in Burma to inspect the human rights situation. It is his fourth visit to Burma. Professor Yokota, who arrived in Burma early this week, is expected to hold talks with Burmese officials to express UN concerns over the human rights situation in Burma. It has been learned that Professor Yokota told the Burmese authorities he wants to see opposition leader Daw Aung San Suu Kyi, who is under house arrest, as well as other political prisoners in Insein Jail. So far there has been no response from the government. Larry Jagen from the BBC comments as follows.

For five years, the United Nations has been sending its special envoy to inspect progress on human rights in Burma. The findings in all the reports show the Burmese Government ignores and does not respect human rights. Four of these reports were prepared by Professor Yozo Yokota, and he is now in Burma for 10 days to collect the data on the human rights situation. So far he has met with U Ohn Gyaw, minister of foreign affairs. According to a Rangoon source, they held talks on various topics for a long period on Tuesday [8 November]. UNHCR officials in Geneva said they believed Professor Yokota had raised the matter of the recent arrest of five political dissidents and the harsh prison terms given to them. Senior politician U Khin Maung Swe is among the five political dissidents. The European Union, EU, strongly protested the sentencing of these political dissidents. Moreover, the UN officials also expressed their concern over this matter to the Burmese authorities.

According to Burmese officials, Professor Yokota has asked the authorities to allow him to meet opposition leader Daw Aung San Suu Kyi, who has been under house arrest for five years. Although the special envoy was authorized by the United Nations to meet Daw Aung San Suu Kyi the Burmese Government rejected the envoy's previous requests. It is understood that the Burmese Government has not yet decided on the present request.

During his previous visit, Professor Yokota visited Insein Jail and met with political prisoners there. He also plans to visit Insein Jail this time. The details on which political prisoners he will be allowed to meet are not yet known. The UN special envoy is greatly concern about the forced labor being used for the construction of roads and railway lines. This also includes the press-ganging of villagers and their use as porters for the military. It has been learned that he inquired about this issue during his long meeting today with Lieutenant Colonel Kyaw Win [title as heard], a top defense service intelligence official. Yesterday, he was taken by helicopter to the site where the Ye-Tavoy railway line is under construction in Mon State, in eastern Burma. The human rights organizations have accused the Burmese Government of using forced labor for the construction of this railway line. Hundreds of villagers who fled from this railway line construction project told the aid workers along the Thai-Burmese border that workers were regularly beaten up by the soldiers guarding them and many of them had died of disease and malnutrition. The Burmese Government officials confirmed that during Professor Yokota's visit to Ye-Tavoy railway line construction site, he inquired about the accusations at the nearby Mon Village.

Professor Yokota will leave Burma next Wednesday [16 November] and will also visit Burma's second capital, Mandalay. In Rangoon, he will meet Chief Justice U Aung Toe and will attend the National Convention work group's meeting. He will also meet Lieutenant General Khin Nyunt, chief of the defense service intelligence and who observers believe is ruling Burma. It seems that Professor Yokota will meet Lt. Khin Nyunt just before he leaves Burma.

The government will not arrange a meeting between Professor Yokota and the recently-released political prisoners. The UN officials said they would have to arrange the meeting by themselves. Rangoon residents believe that, although Burmese officials allow people who want to meet Professor Yokota to freely hold talks with him, political dissidents are afraid to meet the professor. Political observers believe the recent harsh prison terms given to the five political dissidents show the government doesn't encourage direct talks between Professor Yokota and the political prisoners and wants the talks to be held through the government.

Meets With Party Officials

BK1211080794 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] Professor Yozo Yokota, representative of the UN Human Rights Commission, currently visiting Yangon [Rangoon], accompanied by Mr.

Quin Gazio and Mrs. Zami Hada [name as heard], separately met with personnel from three political parties at the guest house at No. 36, Park Road at 0800 today.

First, Professor Yozo Yokota and his party met U Aung Shwe, leader of the National League for Democracy [NLD]; and U Than Htut, executive committee member of the NLD.

Later, they met U Chit Hlaing, central executive committee member of the National Unity Party [NUP]; and U Tin Latt, Secretariat member of the NUP. Later, they met U Manh Tin Aung Than, leader of the Union Kayin League [UKL]; and U Manh Tin Maung, joint secretary of the UKL.

Meets Information Minister, Others

BK1211140494 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] Professor Yozo Yokota, representative of the UN Human Rights Commission who is currently in Yangon [Rangoon], accompanied by Mr. Quin Gazio and Mrs. Mazami Hada [name as heard], called on Information Minister Brigadier General Myo Thant at the minister's office on Bo Aung Kyaw Street at 1500 today.

Joining the information minister at the meeting were U Aye of the Ministry of Foreign Affairs; U Than Maung, managing director of the News and Periodical Enterprise [NPE]; U Kyi Lwin, director general of the Myanmar [Burma] Television and Radio Department; U Win Sein, director general of the Information and Public Relations Department; U Tin Pe, managing director the Motion Picture Enterprise; U Saw Myint, acting managing director of the Printing and Publishing Enterprise; U Kyaw Win, chief editor of the NEW LIGHT Of MYANMAR newspaper under the NPE; and responsible personnel from the Ministry of Information.

Khin Nyunt, British Foreign Officer Meet

Discuss Bilateral Relations

BK1211075594 Rangoon Radio Myanmar in Burmese 1330 GMT 11 Nov 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received Mr. David Dain, under secretary for South and Southeast Asian Affairs of the British Foreign Office, who is currently in Yangon [Rangoon], at the Defense Services' Dagon House at 1300 today.

At the meeting Mr. Dain held discussions on improving bilateral relations as well as improvement in the economic sector.

Discuss Human Rights

BK1211140994 London BBC in Burmese to Burma 1345 GMT 11 Nov 94

[From the "Current World Affairs" program]

[FBIS Translated Excerpt] A senior representative of the British Foreign Office has left Burma after what he called conveying an important message to the Burmese leaders. Derek Brooke-Wavell dispatched the following report from Rangoon.

While David Dain, under secretary of state of the British Foreign Office, was visiting Burma he had the opportunity to meet Lieutenant General Khin Nyunt, chief of the Defense Services Intelligence. The meeting was regarded as important.

Before leaving Rangoon Airport, Mr. Dain commented on the meeting. He said he did not want to elaborate but went on to say that the meeting was important and hinted that it was very businesslike. He said the main purpose of his visit was to convey an important message from the British foreign secretary. According to the message, Britain expects to have deeper than the normal ties with the Burmese Government, but that this is not feasible at the moment due to the prevailing situation as well as various things happening in Burma. He added that Burma has to make improvements up to an acceptable level to have such ties with Britain. Only then can the British Government move a step forward. The British Government wants to see increasing momentum, especially, in democratization and the improvement in human rights in Burma. He said the responses from the British side will be very positive as the situation improves in Burma.

[Begin Dain recording in English] At the moment, I think following my discussions today—the use of well-worn phrase—the ball is very much, I think, in the court of the Burmese Government. We look for their reaction. [end recording] [passage omitted on Burmese translation of recorded portion]

Dain added that British view coincided with the approaches and expectations of the Australian and U.S. Governments. The view also included human rights and democratic issues in Burma that are also concerns of the Australian and the U.S. governments. He said the British Government wishes to support ties that are more realistic and constructive in dealing with the Burmese Government.

The change in the British Government's tone seems to have stemmed from the progress made at the two meetings between the detained opposition leader, Daw Aung San Suu Kyi, and the Burmese military government this year.

Brunei, Malaysia & Singapore

Malaysia

Minister Reacts To U.S. Decision on Bosnia

BK1211081294 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Nov 94

[FBIS Transcribed Text] Malaysia wants to assess the full implication of Washington's decision to stop the enforcement of the UN arms embargo on Bosnia from today. Defense Minister Datuk Sri Najib Tun Razak said Malaysia wanted to know how lifting of the arms embargo would change Malaysia's role in Bosnia-Herzegovina.

Speaking to reporters in Kuala Lumpur, he said Malaysia would also need to see if the new directive would expose Malaysian troops in Bosnia to further danger. Malaysia would consult other members of the United Nations Protection Force who are involved in the matter. However, Datuk Sri Najib said, he welcomed the move made by U.S. President Bill Clinton.

President Clinton's decision has been hailed by the Bosnian Government. Its prime minister, Haris Silajdzic, told reporters it was a turning point in the understanding of the Bosnian problem.

PRC's Jiang Zemin Conducts Official Visit

King Hosts Banquet

BK1011144194 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 10 Nov 94

[FBIS Transcribed Text] Malaysia is willing to cooperate with China and other countries in the task of leading a new United Nations (?move into conditions) 50 years after the Second World War.

The Yang di-Pertuan Agong [paramount ruler] Tuanku Jaafar said certain efforts need to be taken as Malaysia believes the United Nations must be restructured and revitalized to meet the present and future global challenges.

The king said this to the banquet at Istana Negara [State Palace] in honor of Chinese President Jiang Zemin's four-day visit.

Touching on regional matters, the Yang di-Pertuan Agong said that being the first ASEAN country to establish diplomatic relations with China, Malaysia welcomes China's interest in strengthening cooperation with the region, particularly in trade, investment, and exchange of technology.

A further consultative relationship between ASEAN and China, as well as China's participation in the recent first ASEAN Regional Forum is a clear recognition by the ASEAN countries of the importance of China and its legitimate role in the (?movement) for peace and stability in the region. As such, the king said Malaysia greatly valued the continuous support of China for the ASEAN proposal to establish the East Asia Economic Caucus, EAEC.

Earlier, Prime Minister Datuk Sri Dr. Mahathir paid a courtesy call on President Jiang Zemin of China at a leading hotel where the president is staying during his four-day visit in the country. The two leaders met for some 40 minutes.

Jiang Zemin Views Dispute Resolution

BK1111135494 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 11 Nov 94

[FBIS Translated Text] China has stated that any dispute related to the Spratly Islands issue should be solved through roundtable meetings and not through acts of aggression. China's President Jiang Zemin, currently on a visit to Malaysia, said this during an interview with Malaysian reporters in Kuala Lumpur this evening.

He reiterated that China condemns acts of aggression in the resolution of international disputes. President Jiang also believes that military threats or disputes will not occur in this region.

When asked to comment on Malaysia's proposal to restructure the United Nations Security Council [UNSC], President Jiang said he agrees with the idea. He said such a reformation is needed. He stressed that the interests of all parties involved should be taken into consideration when making any reforms to the UNSC. This includes the interests of several regions throughout the world and the interests of developing and developed nations alike.

Mahathir, Jiang Praise Relations

BK1211103194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Nov 94

[FBIS Transcribed Text] Malaysia does not see China as a potential enemy. Datuk Sri Dr. Mahathir Mohamed says China, as a big country with the largest population in the East Asian region, has declared its commitment to live in peace with other countries. The prime minister said this at the dinner hosted by Malaysia-China Friendship Society for visiting Chinese President Jiang Zemin in Kuala Lumpur. Dr. Mahathir said Malaysia, like China, believes neighboring countries should resolve their bilateral problems through negotiations.

Among measures to foster friendship, Malaysian airlines are encouraged to further develop their services to new destinations in China. Malaysia would also continue to improve cooperation with China in science, technology, and cultural programs.

President Jiang, in his speech, said over the past 20 years relations between China and Malaysia have progressed rapidly. He said there was vast potentials for closer Sino-Malaysian economic cooperation as the two economies are highly complementary.

Mahathir Bids Farewell

BK1211144294 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 12 Nov 94

[FBIS Translated Text] Paramount Ruler Tuanku Jaafar today bade farewell to President Jiang Zemin of China at the State Palace in Kuala Lumpur. President Jiang, who arrived here on Thursday for a four-day visit, will leave for Penang tomorrow morning. Tomorrow evening he will fly to Indonesia to attend the Asia-Pacific Economic Cooperation, APEC, meeting in Bogor. Foreign Minister Datuk Abdullah Haji Ahmed Badawi, Minister-in-Attendance Datuk Annuar Musa, and Malaysian Ambassador to China Datuk Noor Adlan Yahayauddin were also present at the ceremony.

Earlier, Prime Minister Datuk Sri Dr. Mahathir Mohamed said goodbye to President Jiang Zemin. The two leaders held discussions for 20 minutes on the occasion.

During his stay in Kuala Lumpur, Jiang Zemin held talks with Dr. Mahathir and was given an audience with the paramount ruler and his consort. He was also taken on a tour of places such as the Sultan Salahuddin Abdul Aziz Shah Mosque and national car maker Proton's plant in Shah Alam. Jiang, who is leading a 100-member delegation, visited Melaka today.

Mahathir Comments on Visit

BK1311083994 Kuala Lumpur Voice of Malaysia in English 0600 GMT 13 Nov 94

[FBIS Transcribed Text] The visit by Chinese President Jiang Zemin has further strengthened relations between Malaysia and China. Prime Minister Datuk Sri Dr. Mahathir Mohamed said he had fruitful discussions with the visiting president on various bilateral and international issues and they shared similar views on world matters. He was speaking to newsmen after bidding farewell to the president in Kuala Lumpur.

President Jiang is in Penang and will fly off to Indonesia in the evening to attend the Asia Pacific Economic Cooperation, APEC, forum in Bogor. The Chinese leader reiterated that China wanted to live in peace and concentrate on economic development, not to interfere in the internal affairs of Malaysia or other countries.

Jiang Zemin Concludes Visit

BK1311133894 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 13 Nov 94

[FBIS Translated Text] PRC President Jiang Zemin today left for Jakarta from the Bayan Lepas International Aiport, Penang, ending his four-day official visit to Malaysia. President Jiang is on his way to Jakarta to attend the APEC [Asia Pacific Economic Cooperation] summit scheduled to begin on Tuesday in Bogor.

Penang state's Chief Minister Dr. Koh Tsu Koon and Minister for Rural Development Datuk Annuar Musa, who is the Minister-in-Attendance, were at the airport's Mutiara Room, to bid farewell to him and his delegation.

Jiang and his 89-member delegation, including 20 Chinese reporters, were on a one-day visit to Penang after their trip to Kuala Lumpur and Melaka since Thursday. Jiang visited the Penang Bridge, the butterfly farm at Teluk Bahang, and received a courtesy call from the Penang state governor, Tun Dr. Hamdan Sheikh Tahir. He also attended a luncheon hosted by the state government which was attended by Deputy Prime Minister Datuk Sri Anwar Ibrahim and the participants of the Pacific dialogue at a hotel.

Foreign Minister on PRC Talks, UK Project

BK1111105494 Kuala Lumpur Voice of Malaysia in English 0800 GMT 11 Nov 94

[FBIS Transcribed Text] China has agreed to discuss the request for more Malaysia Airlines, MAS, flights to the republic. The talks will be held at official and ministerial levels. Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi said the agreement was reached at a meeting in Kuala Lumpur between a Chinese delegation led by President Jiang Zemin and the Malaysian side headed by Prime Minister Datuk Sri Dr. Mahathir Mohamed. MAS currently flies four times a week from Kuala Lumpur to Beijing and another four times to Guangzhou.

Jiang, who arrived yesterday with a 100-member delegation, held a separate meeting with Dr. Mahathir at the prime minister's office earlier.

Datuk Abdullah also told reporters the British Government must honor its commitment to provide a loan for the Pergau hydroelectric dam project. He was commenting on a British High Court ruling yesterday that Foreign Secretary Douglas Hurd acted unlawfully in July 1991 in approving the loan. Datuk Abdullah said Malaysia left it to the British Government how it was going to provide the loan.

Dr. Mahathir said yesterday Malaysia would take the British Government to court if it did not honor its agreement to provide the 960 million ringgit loan.

Cambodia

Khmer Rouge Claims U.S. Military Expert Killed

BK1111141494 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 11 Nov 94

[FBIS Translated Text] Reports from Sre Ambel District say that on 6 November a group of puppet soldiers stationed south of Sre Ambel road junction revolted and killed a U.S. military expert.

The reports indicate that this occurred because the U.S. expert looked down on the puppet troops, considered them lower than trash, and continually forced them to go out and fight in order to assess their fighting capability. After killing the warmonger, these puppet troops fled to their hometowns. Before departing, the soldiers said that if the Americans, Australians, and Frenchmen want to die, let them die by themselves.

This also clearly shows that the Cambodian people, including the absolute majority of puppet troops, do not want to fight and absolutely do not need the United

States, Australia, and France to instigate a war of aggression to kill fellow Cambodians.

Hostages Called 'Spies'; Foreigners Warned Away

BK1411145494 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 Nov 94

[FBIS Translated Text] The three foreigners in Kampot Province were all spies conducting intelligence activities to fuel the communist Vietnamese war to kill the Cambodian nation and people.

Therefore, anyone carrying out aggressive activities in Cambodia—either directly or indirectly—will be regarded as taking part in the war to kill the Cambodian nation and people; thus he is guilty of being a war criminal. This guilt is defined in the Cambodian people's law. Because you have come to kill Cambodians, your guilt must be decided by Cambodian law and not by the laws of the United States, France, Australia, or any other country. If you do not want trouble, do not come to Cambodia.

KR Claims Foreign Experts Sent to Preah Vihear

BK1311114294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 12 Nov 94

[FBIS Translated Text] According to a report from the Preah Vihear battlefield, a group of 15 Australian, French, and U.S. military experts in combat, logistics, and radio communications arrived in Preah Vihear Province on 7 November to join in a campaign conducted by the traitorous puppets. The people said they saw the group of warmongers, who have not become stuffing for a hole yet. However, those involved in the war to kill the Cambodian nation, whether Cambodian or foreigner, must be held responsible for their crimes, and if they are killed in fighting, grievances must not be aired as at Phnum Voar.

Khmer Rouge Issue 'Open Letter' to APEC Summit

BK1311121394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 12 Nov 94

["Open Letter" from the "Cambodian nation and people" to the participants in the Asia-Pacific Economic Cooperation summit; dated 12 November—place not given]

[FBIS Translated Text] The Asia-Pacific Economic Cooperation group, APEC, will soon hold a summit meeting in Bogor, Indonesia. The Cambodian nation and people want to take this opportunity to inform the APEC summit of the current situation in Cambodia, to whom peace and justice-loving countries worldwide are paying attention.

As the summit is already aware, the national and social situation in Cambodia has been extremely serious for 15 years. People—including local newspapers, foreign reporters, international observers, and his majesty—have repeatedly said that the situation is very serious. The reasons for this are as follows:

1. The war provoked by the communist Vietnamese aggressors in 1978 has continued without end. Since 1992, the villainous Western alliance—with the United States, Australia, and France as ringleaders—and UNTAC [UN Transitional Authority in Cambodia] have joined forces with communist Vietnam to maintain the communist Vietnamese aggressor forces and the Vietnamese puppet regime in Cambodia, allowing them to perpetuate the war and inflict all kinds of devastation against the Cambodian nation and people.

2. On top of this, communist Vietnam has also sent 4 million Vietnamese in a well-planned and systematic manner to control Cambodia in every field and sector. This constitutes the gradual annexation of Cambodia and consequently represents an immeasurable danger to the survival of the Cambodian nation, people, and race. The Vietnamese have totally controlled, seized, and plundered the land, paddies, farmland, rivers, lakes, forests, fish, and employment and occupations of the Cambodian nation and people. Millions of Cambodian people in the countryside and Phnom Penh are living a hopelessly miserable life. The situation is unprecedented in the history of Cambodia. Along with this, communist Vietnam has also brazenly grasped several million square kilometers of Cambodia's land and maritime territory and islands in the east.

3. Since the implementation of the Paris accord at the end of 1991, the United States, France, and Australia have joined communist Vietnam and the communist Vietnamese puppets in opposing the accord and the quadripartite Supreme National Council. They have [words indistinct] the communist Vietnamese aggressor forces, saying there are no Vietnamese in Cambodia. They have preserved the communist Vietnamese forces and the puppet regime, held elections under the communist Vietnamese puppet regime, and opposed the national reconciliation of Cambodia and the king. His majesty has again and again said that national reconciliation is the only medicine that can solve the serious situation, but they have categorically opposed this view.

4. In July 1994, they staged a coup d'etat, forged a fascist martial law, and arrested all those seeking national reconciliation and peace. The fascist law shows that everything in Cambodia is under threat from communist Vietnam's guns and that there is no democracy, freedom, or human rights whatsoever in the country.

In October 1994, they carried out another coup attempt to wipe out all FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members who have not sold out the nation and abandoned their positions to the Vietnamese puppets and communist Vietnam. FUNCINPEC has been completely disbanded politically and organizationally. Communist Vietnam and its puppets have seized 100 percent of the legislative, executive, military, and police power from top to bottom. The two-headed government is only a shell or a smokescreen used to legitimize the continued occupation of Cambodia by communist Vietnam.

The Cambodian people at home and abroad can no longer remain patient. They all oppose the traitorous two-headed government that has sold out Cambodia to communist Vietnam.

5. According to its open statements and overt actions, the United States has decided to set up a command post in Cambodia in order to join hands with Australia, France, and communist Vietnam to continue to fan the flames of the Vietnamese war of aggression. The United States, Australia, and France have decided to provide military aid and send military personnel to join in directly furthering the war of aggression against Cambodia. This constitutes an action intended to inflame further the Vietnamese war of aggression and openly exterminate the Cambodian race. This is a monstrous crime committed by the United States, Australia, France, and communist Vietnam to kill the Cambodian nation, people, and race. This is the destruction of peace in Cambodia. This is an extremely serious threat to security and stability in the whole region.

Given this serious situation, the Cambodian nation and people wish to declare solemnly that the Cambodian people reserve their right to self defense to prevent the group of warmongers from killing the Cambodian nation and people at will.

As all of you are already aware from history, this is a spontaneous reaction by any country or people that is the victim of invasion and annexation committed by aggressors.

Availing themselves of this opportunity, the Cambodian nation and people wish to appeal to the summit in Bogor and the peace and justice-loving countries and peoples of the world to prevent the United States, Australia, and France from shipping armaments and sending army personnel to join the communist Vietnamese war to kill the Cambodian nation and people. This will benefit peace and security in Cambodia and peace and stability in the region and the world as a whole.

12 November 1994
The Cambodian nation and people

Sihanouk Announces Possible Return in Jan

BK1311093394 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 12 Nov 94

["Message to Compatriots" issued by King Norodom Sihanouk in Beijing; date not given]

[FBIS Translated Text] First, I would like to pay my reverence to the two supreme patriarchs, Venerable Samdech Khousananda, Venerable Samdech Pouthiveang, Venerable Samdech Mongkolteppeacha, all the superior monks of the Buddhist clergy, all the provincial head monks, all abbots, and all Buddhist monks. I am also honored to salute my compatriots, brothers and sisters, and children whom I think about constantly, sincerely, and strongly.

I am extremely anxious about not being able to return to Cambodia, our beloved motherland, to stay with all of you, but I am required to remain in Beijing for a few more months to undergo my weekly medical checkups and treatment not only for cancer, but also for a nervous system disorder [pa-nhaha sarsai] and other ailments.

In January 1995, if the cancer does not spread further in my body, especially my marrow, I will be able to return to Cambodia. If the cancer recurs, however, I will continue to receive other types of chemotherapy.

I am sending my wife, Norodom Monineat Sihanouk, to receive donations and aid on my behalf and distribute them to humanitarian health organizations and my brothers and sisters and children who urgently need assistance. My wife will also act as my personal representative to perform the [word indistinct] ceremony to pray to the triple jewels, gods, and the souls of our previous Cambodian kings and queens for the peace and happiness of our people and nation and also for the peace, happiness, and prosperity of Cambodia as they were enjoyed by our people and nation during the Sangkum Reas Niyum era. Our Cambodia can only survive and regain its full independence and territorial integrity if peace and national unity are achieved through national reconciliation.

The queen is very lucky to be able to return and stay with my brothers and sisters and children [words indistinct].

Before concluding, I wish my compatriots, brothers and sisters, and children the five Buddhist blessings of long life, social status, happiness, good health, and enlightenment.

DPRK Military Delegation on Official Visit

Radio Notes Activities

BK1111135594 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 11 Nov 94

[Poor reception precludes fuller processing]

[FBIS Summary] At the invitation of the Defense Ministry of the Kingdom of Cambodia, a high-ranking military delegation from the DPRK led by His Excellency [H.E.] Choe Kwang, acting defense minister, chief of staff of the Korean People's Army [KPA], and member of the Political Bureau of the Central Committee of the Workers' Party of Korea, arrived on 10 November for an official visit.

The delegation was greeted at Pochentong airport by General Tie Banh, co-defense minister; General Chay Sangyun, state secretary for national defense; General Nhoek Bunchhai, first deputy chief of staff of the Khmer Royal Armed Forces [KRAF]; Generaal Kruoch Yoeum, under state secretary and head of the Defense Ministry's office; General Pan Thai, KRAF deputy chief of staff; and many other officials. The DPRK ambassador to Cambodia was also present.

On the same day, the delegation was warmly welcomed at Chamka Mon state palace by H.E. Sar Kheng, deputy prime minister and co-minister of the interior, who highly appreciated the visit by the DPRK military delegation, saying that this constituted a further consolidation of the friendly ties and cooperation between the two countries' armies and people. For his part the head of the DPRK military delegation profoundly thanked the Royal Government of Cambodia and the Defense Ministry for facilitating the delegation's visit and pointed out the objective of the visit, saying it was "to exchange views and experiences between the two countries." At 1700 on 10 November, the delegation laid a wreath at the independence monument, accompanied by General Tie Banh and other Defense Ministry officials.

At 0800 on 11 November, the delegation held talks with General Tie Banh with the participation of many leading officials of the Defense Ministry. Choe Kwang informed General Tie Banh of the favorable general situation in the DPRK, where the Korean Army and people are determined to unite under the leadership of Kim Chong-il, eminent leader of the Korean people. Choe Kwang also thanked the Kingdom of Cambodia and pledged to consolidate and expand the traditional friendly ties and cooperation between the two countries. He also stressed that the strength in unity of an entire nation is a mighty force which determines victory and he hoped that under the astute leadership of the Royal Government of Cambodia and with a unity under the calm direction of King Norodom Sihanouk, the Cambodian people and the KRAF will certainly be able to build and develop the country, as during the Sangkum Reas Niyum era.

General Tie Banh informed the guest about the general situation in Cambodia, where efforts are being made to build and develop the country with the KRAF as the core and leading force to achieve this goal. Finally the two sides exchanged gifts in a happy and most cordial atmosphere.

Afterward, the DPRK military delegation held talks with General Nhoek Bunchhai, first deputy chief of staff, and many other high-ranking officers, during which the delegation was informed about the process to rebuild the KRAF, a necessary task in order to build an effective army. General Nhoek Bunchhai stressed that the KRAF have many problems to solve, but with an astute leadership and with assistance from the international community, the KRAF will be able to overcome any shortcomings soon. "He also thanked the DPRK Government and the Korean People's Army for providing moral and material assistance to the KRAF and pledged to continually promote the friendly relations between the KRAF and the KPA."

Finally the two sides exchanged gifts in a happy and most cordial atmosphere.

Prime Ministers Receive Delegation

BK1311095494 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 12 Nov 94

[FBIS Translated Text] The two prime ministers of the Royal Government of Cambodia [RGC] granted an audience to a high-ranking North Korean military delegation at the Council of Ministers Office on the afternoon of 11 November. During the meeting with the delegation led by Choe Kwang, chief of the General Staff of the Korean People's Army, the prime ministers cordially welcomed its official visit to Cambodia, considering it vitally important to relations between the two countries' armed forces.

The two prime ministers said Korea has maintained a time-honored good relationship with the Kingdom of Cambodia and has actively taken part in the search for peace and the process of rehabilitating and redeveloping Cambodia. Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the RGC, wholeheartedly expressed the hope that the good cooperation and friendship between the two countries' armed forces would be further consolidated.

In his reply, Choe Kwang said he considered the Cambodian prime ministers' statements as testimony to the good relations of friendship and cooperation, especially in the military field, between the two countries. He added that he never would have thought that Cambodia, under the leadership of His Majesty King Norodom Sihanouk Varaman and the RGC, could have developed as significantly as it has. Choe Kwang said he firmly hoped that Cambodia will become a developed country as in the Sangkum Reas Niyum era.

Indonesia

Human Rights Commission To Brief Christopher

BK1311101294 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Nov 94

[FBIS Translated Text] The National Human Rights Commission will take advantage of the APEC [Asia-Pacific Economic Cooperation] events in Indonesia in an effort to brief the United States delegation with regard to the human rights situation in Indonesia.

According to Marzuki Darusman, the National Human Rights Commission will brief U.S. Secretary of State Warren Christopher—who is currently in Jakarta to attend the Sixth APEC Ministerial Meeting—on the issue.

Marzuki Darusman, a member of the National Human Rights Commission, told [as heard] Warren Christopher that the commission will present one of the basic human rights problems; that is, the effort to solve the problem of human rights violations such as land and workers issues. Indonesia considers such cases important in establishing its domestic mechanism and in its effort to solve the issues of human rights violations. Setting up such a mechanism will be time-consuming. As such, Marzuki Darusman expressed his hope that the international community will not highlight the human rights situation in Indonesia.

USTR Cited on Country's 'Positive' Labor Plan

BK1311100894 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 13 Nov 94

[Report by unidentified correspondent]

[FBIS Translated Text] The United States Trade Representative [USTR] has described Indonesia's new plan to comprehensively handle labor rights as a positive move to improve the industrial relations in the country. Speaking after meeting Manpower Minister Abdul Latief, Mickey Kantor said he and the minister comprhesively discussed labor rights. Kantor said he was really happy over Abdul Latief's remarks that the Manpower Department wanted to cooperate with the United States in such efforts as to make the All Indonesian Trade Union [SPSI] more independent.

Timorese Resistance Leader Appeals to Clinton

LD1111135294 Lisbon Radio Renascenca in Portuguese to Europe 1300 GMT 11 Nov 94

[FBIS Translated Excerpt] East Timor—Xanana Gusmao [jailed resistance leader] has sent a letter to the President of the United States from his cell in Cipinang jail, urging greater U.S. involvement in the East Timorese cause along the lines of the Clinton Administration's involvement in Haiti and the Middle East peace process. [passage omitted] Radio Renascenca has gained access to Xanana's letter, and here is Pedro Adao with the main points:

[Adao] Xanana Gusmao knows full well that Bill Clinton holds all the main trumps, and before the U.S. President's departure for the APEC [Asia-Pacific Economic Cooperation] summit in Indonesia, he wrote Clinton a letter urging him not to forget East Timor. The former guerrilla commander points out that the Timorese question remains essentially an international problem and is recognized as such by the United Nations. Bill Clinton ought therefore to take advantage of his trip to Indonesia to bring pressure to bear on President Suharto himself. No one is better suited than the United States to do this, he states.

Xanana Gusmao stresses that the effort and commitment shown by the United States with regard to questions like Haiti and the Middle East should be extended to the Timorese question, and draws a parallel with Kuwait insofar as East Timor is also an annexed territory.

The letter ends with an expression of thanks to Bill Clinton because his administration shows that it wants to change the U.S. attitude to the problem of East Timor.

Xanana Says Struggle Continues

LD1211110294 Lisbon RDP Antena 1 Radio Network in Portuguese 1000 GMT 12 Nov 94

[FBIS Translated Excerpt] U.S. Secretary of State Warren Cristopher has just intervened on behalf of the Timorese occupying the U.S. Embassy in Jakarta since earlier this morning, saying that they will be treated sympathetically and with understanding. [passage omitted: details on incident]

From Cipinang jail comes the voice of Xanana Gusmao with a message to the world:

[Begin Gusmao recording] Three years have passed since the world finally understood the true character of our people's resistance, its magnitude, and forms of struggle, and on the other hand, realized the true nature of the Indonesian military presence in East Timor. The struggle continues on all fronts. Motherland or death. To resist is to win. For the CNRM [National Council of the Maubere Resistance], Queirala Xanana Gusmao. [end recording]

Timorese Demonstrators Protest at U.S. Embassy

BK1211083894 Hong Kong AFP in English 0625 GMT 12 Nov 94

[FBIS Transcribed Excerpt] Jakarta, Nov 12 (AFP)—East Timorese demonstrators and Indonesian riot police were locked in a standoff at the US embassy here Saturday, marring Indonesia's hosting of the APEC [Asia-Pacific Economic Cooperation] minister's forum.

Twenty-six Timorese demonstrators climbed over the eight-feet (2.5-metre) spiked embassy fence and stood in the car park, where they unfurled banners protesting at Indonesia's 18-year-old occupation of the former Portuguese colony.

The protest—on the third anniversary of massive bloodshed in East Timor, when Indonesian troops killed scores of unarmed demonstrators in the capital, Dili—came as trade and foreign ministers of the Asia-Pacific Economic Cooperation (APEC) forum wound up a two-day meeting. The showcase event, hosted by Indonesia, will be followed by a summit of APEC leaders in nearby Bogor on Monday and Tuesday.

Riot police, armed with rattan sticks and shields, entered the compound and surrounded the demonstrators. But a US official emerged and angrily ordered them out, witnesses said.

"I don't want anybody to do anything," the unidentified official said.

A protestor who arrived late for the demonstration was violently grabbed by police and arrested, ostensibly for not carrying his identity card, witnesses said. Another demonstrator succeeded in jumping the fence to reach the protesters.

A US diplomat in charge of security at the embassy spoke to the demonstrators through a translator and requested that they leave. But he said it did not have to be immediate and he gave assurances they would be escorted to the gate.

"We understand your plight but you will have to leave here. You cannot stay here and it is not helpful to stay. It does not help the situation," he added. "You can stay another hour but you cannot stay overtime."

The US official requested that no-one else jump the fence, commenting: "If you cooperate we will cooperate."

Armed US marines wearing a bullet proof [as received] and helmets stood discretely in the background. About 20 Indonesian police lined the front of the fence. More riot police were deployed outside. Police in civilian clothes were also on duty, witnesses said. [passage omitted—background]

The US ambassador to Jakarta, Robert Barry, told AFP "there is no deadline" for the protestors' departure.

"We have sought and received assurances from the Indonesian government that they will not be mistreated" if they leave, he said.

East Timorese staged a days-long demonstration at the Swedish and Finnish embassies in June 1992. When they left the embassies, they were not charged.

The US embassy issued a statement Saturday, saying: "The United States recognises the right of people to express their beliefs openly and in a peaceful manner."

"We are certainly aware of all the dimensions of the problem in East Timor, and this is a topic of discussion in our overall dialogue with the government of Indonesia. We expect it to be raised during meetings between senior US and Indonesian officials in the coming days."

Minister Comments on Demonstrators

BK1211113994 Jakarta ANTARA in Indonesian 0946 GMT 12 Nov 94

[FBIS Translated Text] Jakarta, 12 Nov (ANTARA)—Foreign Minister Ali Alatas has said that the demonstrators in front of the U.S. Embassy are trying to put Indonesia to shame in the presence of the APEC [Asia-Pacific Economic Cooperation] participants now gathering in Jakarta.

"They obviously want to use this opportunity to put Indonesia to shame," he said after he gave a joint press conference along with other APEC ministers in Jakarta Saturday.

"We already know the motivation of their action," he said, adding that negotiations with the demonstrators are still underway.

A number of youths who claim to have come from East Timor staged a demonstration in front of the U.S. Embassy while APEC ministers were holding their second-day session on Saturday morning.

Protesters Meet Special Envoy

BK1211135694 Hong Kong AFP in English 1347 GMT 12 Nov 94

[FBIS Transcribed Excerpt] Jakarta, Nov 12 (AFP)—East Timorese protesters occupying part of the United States embassy compound here vowed Saturday evening to continue their protest after talking with Indonesia's special envoy on East Timor.

"He gave a guarantee that nothing would happen if we left the embassy," said the spokesman for the 29 protesters, Domingus Sarmento-Alves. He spoke to reporters after a 20 minute meeting with F.X. Lopez Da Cruz.

"We are here not to ask for guarantees, but here to demand the rights for the people of East Timor," Sarmento-Alves said.

Da Cruz had no comment.

Sarmento-Alves asked that U.S. President Bill Clinton and Secretary of State Warren Christopher (?intercede) on behalf of East Timorese people while here for the APEC [Asia-Pacific Economic Cooperation] ministerial and summit meetings. He said the protestors were considering the possibility of seeking political asylum.

Embassy officials have asked the protesters to leave, but Christopher told a news conference they would not be forced to do so.

The protesters said they would not leave the US embassy compound until their demands are met. They had earlier issued three demands: freedom for jailed leader of the East Timorese resistance movement, Xanana Gusmao; inclusion of Gusmao in self-determination talks; and information on more than 100 people unaccounted for and said to have been killed when troops fired on demonstrators at the Santa-Cruz cemetery three years ago. [passage omitted—background]

Police Comment on Demonstrators

BK1311083294 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 13 Nov 94

[FBIS Translated Text] The security forces have not arrested any demonstrator at the U.S. Embassy in

Jakarta. Lieutenant Colonel Latief Rabar, head of the Information Service of the Metropolitan Jakarta Police, said the security forces have taken preventive measures to cope with the demonstration. Based on an initial investigation, most of the 29 demonstrators are said to be unemployed youth; only a handful are school or college students. They demand that the Indonesian Government release Xanana Gusmao, leader of a terrorist band known as the Fretilin [Revolutionary Front for an Independent East Timor], and that they be allowed to see U.S. President Bill Clinton, who is scheduled to arrive in Jakarta tomorrow.

Police Brigadier General Ketut Raka, head of the Information Service of the Republic of Indonesia Police, said the police had anticipated the possibility of certain groups exploiting the APEC [Asia-Pacific Economic Cooperation] meetings for their group's or their own interests. The police are still investigating the case.

Resistance Leader Notes U.S. 'Sympathy'

LD1311205994 Lisbon RTP Internacional Television in Portuguese 1900 GMT 13 Nov 94

[FBIS Translated Excerpt] [Unidentified correspondent] We have in the studio Ramos Horta [resistance leader abroad, member of National Council for the Maubere Resistance]. What information have you got?

[Horta] The reports I received about two hours ago, from religious sources, said that the worrying thing is that dozens of people are beginning to disappear. I was told that Indonesians went into the homes of the Timorese in Dili and took dozens of people. The same is happening in Jakarta. Many students participated in the attempt to enter the [U.S.] embassy. Those who did not manage to get over the fence were taken by the soldiers, probably to outside Jakarta. There is great concern over what might happen to them.

[Correspondent] Are the people being taken those who were protesting? Antonio Sampaio [correspondent in Australia] said the troops were going to people's homes when they were not there, does that mean they take their relatives, for example?

[Horta] Yes, in East Timor, in Dili, they have already taken dozens of people by going to their homes, they break in and just take them. Also in Jakarta, some of the students who tried to enter the embassy were taken to outside Jakarta. They fear for their lives and are asking journalists to follow them.

[Correspondent] Is that the reaction of the Indonesian troops, who because they cannot use force in full view of foreign journalists and heads of state for the ACP [African, Caribbean, and Pacific] summit, are using another form of reaction?

[Horta] From our experience, when the journalists have gone, when the eyes of the international community are not watching anymore, these youths will suffer the real retaliation. They will lose their study grants, those who have them, they will be tortured, etc.

This situation has been going on for several weeks, it is not recent. There has been a spread and an intensification of the repression, precisely as a cleansing operation before the ACP summit.

[Correspondent] Is this the outcome of a Timorese resistance strategy, this action that looks premeditated?

[Horta] With regard to East Timor, as far as I know the decision of the leaders of the struggle, of the National Council for the Maubere Resistance, was to support the youths' initiatives to mark the third anniversary of the Santa Cruz massacre through religious ceremonies. There was no deliberate resistance plan to transform the third anniversary into a political challenge for Indonesia. This was a cautious decision of the resistance. [passage omitted]

[Correspondent] You spoke of the retaliation the youths will suffer. Can this also affect the recent success of the negotiations with Ali Alatas, in which you yourself were involved?

[Horta] No, not in any way. These developments are positive because they bring an urgency to the search for a solution for East Timor. They make the United States, Canada, Australia, and Japan—all attending the ACP summit—feel that it is necessary that they use all their influence to accelerate the process of finding a peaceful, negotiated solution for East Timor.

[Correspondent] What are your expectations regarding Bill Clinton and his presence in Jakarta, what can he do for Timor?

[Horta] Our concern is to resolve the problem via a dialogue within the context of the United Nations. President Bill Clinton will broach precisely this point with President Suharto, that it is necessary to have a solution within the UN framework, with the full involvement of the Timorese resistance.

[Correspondent] Has he promised that?

[Horta] We have that promised via the Portuguese state, obviously. The Portuguese prime minister and Foreign Minister Durao Barroso were in Washington and received those assurances. We, the resistance, have also received those assurances through our own channels in Washington. So we are convinced that President Clinton will make a point of raising those issues with President Suharto and now with a greater sense of urgency, because he can now see, via CNN and in the major U.S. newspapers, what is happening in East Timor. Today the WASHINGTON POST and the NEW YORK TIMES carried front page photographs.

[Correspondent] Has it been easy at the moment to obtain the solidarity of the international community for your cause?

[Horta] Yes, certainly. There is growing sympathy with the Timorese cause because one of the aspects that favors us is that the people of Timor have carried out a struggle without resorting to violent action such as terrorism. That makes us different from other movements, which in past have fought independence struggles. This has given us great sympathy in the United States.

[Correspondent] Thank you very much.

Protesters Speak With Journalists

BK1411092494 Hong Kong AFP in English 0859 GMT 14 Nov 94

[FBIS Transcribed Excerpt] Jakarta, Nov 14 (AFP)—A group of young East Timorese protestors entered the third day of a sit-in at the US embassy compound here Monday and one of them said they were considering demanding asylum if their demands are not met. They also demanded the release of more than 100 East Timorese arrested here and in Dili, East Timor in the past few days.

Answering queries from journalists waiting outside the spiked fence of the US embassy, Domingus Sarmento Soares confirmed that they were considering asking for asylum.

"Yes, we are considering it," said Alves, who is one of the 29 East Timorese protestors who have made the embassy's front parking lot their home since clambering over the mission's fence Saturday. He said that they wanted to eventually go to Portugal if possible but added that asylum-seeking "is not the only alternative we have." He declined to elaborate.

Portugal was the colonial power in East Timor until their administration left the enclave in 1975. Indonesian troops invaded East Timor later that year and declared the territory its 27th province the following year, but the United States refuses to accept Jakarta's sovereignty over the enclave.

Alves said that they had also sent a message to the Portuguese president through a Portuguese journalist, in which they called him to continue to intervene on behalf of the East Timorese. He said that he and his friends earlier Monday met with East Timor-born member of the National Commission on Human Rights (KOMNASHAM) Clementino Amaral, during which they put forward several demands.

Alves demanded that the some 30 East Timorese arrested here shortly after their arrival at a train station to take part in the protest Saturday should be released.

They also demanded the release of the 72 people arrested in East Timor Sunday during the ethnic-fuelled riots in the enclave's main town of Dili, when some 1,000 local inhabitant went on a rampage following the murder of one East Timorese man by a trader from Sulawesi Saturday.

The protestors also wanted to ask Indonesian authorities to clarify the fate of some 50 people who had been declared dead during the Dili massacre on November 12, 1991, when Indonesian troops shot at peaceful demonstrators at the Santa Cruz cemetery.

"We want to (?know where are) the 50 bodies from the 1991 massacre, where are they now?," Alves asked.

Indonesian authorities have said around 50 people had died in the shooting, but only 23 bodies have been located. Independent counts have estimated the death toll to have reached up to over 200.

The demonstrators, who were Monday morning given their first meal of rice by the embassy since they forced their way in on Saturday, also called for a halt to the harrassment and threats by the Indonesian security members who have remained on standby outside the embassy fence.

Amaral only promised to deliver their demand to higher authorities, saying that he had no special authority to handle them. [passage omitted]

Official on Rights Process; Embassy Protest

BK1411102494 Jakarta ANTARA in Indonesian 0834 GMT 14 Nov 94

[FBIS Translated Excerpt] Jakarta, 14 November (ANTARA)—Indonesia will have a chance to explain its human rights situation to President Bill Clinton if the U.S. President wishes to discuss the issue with President Suharto.

"President Clinton has the right to raise the human rights issue during his visit to Indonesia, but Indonesia will also use the opportunity to explain its adherence to human rights principles," Theo Sambuaga, chairman of the Interparliamentary Cooperation Agency, said to ANTARA in Jakarta Monday. He said that Indonesia's commitment to human rights is clearly stipulated in the Pancasila state ideology and the 1945 Constitution.

"The whole development process currently being implemented has succeeded in improving people's living standards and reducing the number of people still living in poverty. This obviously constitutes a manifestation of our respect and commitment to human rights," he said. [passage omitted]

Commenting on the protest rally staged by several East Timorese youths inside the U.S. Embassy compound, Sambuaga said the event shows that democracy is alive in Indonesia and differences of opinion are tolerated.

"What we should try to avoid is the destructive means in expressing one's opinion, especially when we are now hosting the APEC [Asia-Pacific Economic Cooperation] meeting," he said.

"If the East Timorese youths want to pursue political asylum, they are entitled to do so, but of course it all depends on the embassy of the foreign country whether the request will be granted. But the incident should be not politicized," he stressed. Sambuaga also called on the East Timorese youths to stop their action and return home.

Rioting Erupts in East Timor Capital 13 Nov

Police Chief on Rioting

BK1311123994 Hong Kong AFP in English 1156 GMT 13 Nov 94

[FBIS Transcribed Excerpt] DILI, East Timor, Nov 13 (AFP)—East Timor was still tense late Sunday after troubles erupted here in the capital leaving at least one person dead and 72 under arrest. In the worst violence to shake the annexed Portuguese enclave since 1991, security forces clashed with some 1,000 youths in running battles which died down as evening fell, although witnesses reported seeing police still chasing groups of youths in the centre of town.

East Timor Police Chief Colonel Sugianto Andreas said here that "72 people have been arrested and they will face criminal charges."

Andreas said the riots were due to violent emotional responses that could be clasiffied as criminal offences and had nothing to do "with the anniversary of the 1991 incident."

On November 11, 1991, Indonesian troops opened fire on a funeral march here, resulting in the deaths of some 50 people by official count and more than 270 by other estimates.

Andreas said only one man died during the riots and identified him as an East Timorese man named Mario Vincente aged 30, adding his killer, identified as Muhammad Fakir, 30, had been arrested. He did not give the origin or occupation of the alleged killer.

Various witness accounts gave a toll of between two wounded and three dead following the stabbing of the trader.

Rioting erupted early Sunday after the killing of the trader and continued sporadically throughout the day. Groups of youths were said to be running amok, overturning cars and looting.

Thirty small shops or stores have been ransacked and two restaurants were burnt down, witnesses said.

A native businessman of Chinese descent said many ethnic Chinese had fled the city fearing the riots could degenerate into racial violence, while witnesses said dozens of Indonesians had taken shelter in police stations to avoid possible revenge attacks.

The troubles accompanied a protest by two dozen Timorese in the US Embassy compound in Jakarta. The protests embarrassed the Indonesian authorities with President Bill Clinton due Sunday to attend the Asia Pacific Economic Cooperation (APEC) forum summit in Bogor, near the capital.

There is much hostility among Timorese toward the growing number of Indonesian immigrants to East Timor, a former Portuguese colony invaded by Indonesia in 1975 and annexed a year later. [passage omitted]

Australia's Evans Comments on Events

BK1311133494 Melbourne Radio Australia in English 1100 GMT 13 Oct 94

[FBIS Transcribed Text] In Indonesia, East Timor's capital, Dili, is now reported to be quiet following violent rioting earlier today. The rioting is believed to have been sparked by racial tension. However, some sources say pro-independence demonstrations have also taken place marking the 3d anniversary of a massacre in Dili by Indonesian security forces in which scores of people died. Michael Maher reports:

[Begin Maher recording] The fatal stabbing of an East Timorese man by a migrant merchant from the Island of Sulawesi has been reported by Indonesian officials as the main cause of a riot involving some 1,000 East Timorese youths. Security forces used tear gas to disperse the rioters who stoned and set fire to buildings in Dili's commercial center. At this stage, there is still only one person confirmed dead as a result of the trouble. An independence source in Dili also said that around 50 East Timorese gathered outside of a Catholic bishop house and unfurled pro-independence banners.

Speaking Jakarta, Australian Foreign Minister Senator Gareth Evans said that nobody pretends that all is well in East Timor and repeated his previous call for the Indonesian Government to do more to improve the situation there. [end recording]

Four Reported Killed in Dili

LD1311171894 Lisbon RDP Antena 1 Radio Network in Portuguese 1200 GMT 13 Nov 94

[FBIS Translated Excerpt] Timorese youths are demonstrating in the streets of Dili [to mark the anniversary of the Santa Cruz cemetery massacre] and the Indonesian riot police are landing in Timor. Four deaths have been confirmed. [passage omitted] RDP1's correspondent in Australia, Antonio Sampaio reports.

[Sampaio] The problems are increasing. The Indonesian police have not managed to control the protesters, who are growing in number. Special battalions have arrived in the port of Dili to reinforce the troops already in Timor. Reliable sources confirm that four people have been killed—only one has been identified, Mario Vicente. It can also be confirmed that the Timorese rebellion has spread throughout the territory.

With the troops concentrated in Dili, the Timorese burned Indonesian flags in Baucau, Manatuto, Ermera, and Maliana. They replaced them with Fretilin flags. RDP1 has just learned that guerrillas have come down from the mountain to Baucau where they are trying to take control of the main streets of the city.

Some have described it as the Timorese intifadah. It started with a demonstration in the center of Dili and has spread throughout the territory, becoming more and more violent. The demonstration started after a mass celebrated by the Dili Bishop, Dom Ximenes Belo, at 0700. More than 1,500 youths marched from Picora passing Culuum, Comoro, and Vila Verde, a district in the center of the capital. They left a trail of destroyed Indonesian shops, they destroyed the market in Picora and Comoro—places that used to belong to Timorese people and were given by the Jakarta authorities to Indonesians settlers.

East Timor Governor Urges Calm

BK1411010694 Jakarta ANTARA in Indonesian 1652 GMT 13 Nov 94

[FBIS Translated Text] Dili, 13 November (ANTARA)—Speaking to reporters in Dili on Sunday, East Timor Governor Abilio Jose Osorio Soares urged the people to remain calm and not to be easily provoked by untrue rumors in connection with a minor, local incident at the Inpres Becora Market in Eastern Dili on Saturday 12 November 1994.

"The Becora case was a simple matter of misunderstanding between a trader, Mokhamad Sakir, and another trader, Mario Vicente, over hawker lots," he said.

Based on a report received by the governor, Sakir felt that his hawking lot was not a favorable one, while Mario's was more favorable and more strategically located. The dispute finally led to a brawl in which Sakir, who was carrying a sharp weapon, stabbed Mario to death. The incident angered the local residents, who later tried to take revenge against the culprit, who had already been arrested by local security personnel.

Governor Abilio Soares called on the people to remain calm and not to riot. "The case will be settled through existing legal procedures. Obviously, the government will comprehensively settle the case," he said.

According to the governor, certain groups will easily exploit the situation for their own interests if the people are provoked by untrue rumors.

When asked by reporters in Jakarta about the riot, Australian Foreign Minister Gareth Evans praised the local security personnel for being very tolerant.

Meanwhile, ANTARA sources at the Department of Foreign Affairs said on Sunday that two U.S. journalists, Allan Nairn and Amy Goodman, who were to visit Dili, had not been arrested by security personnel. The two were simply questioned for failing to report to the authorities about their planned visit to East Timor.

ANTARA Kupang reported that Nairn and Goodman, who only had permits to cover APEC's [Asia-Pacific Economic Cooperation] activities in Jakarta and Bogor, returned to Jakarta on Sunday evening after staying overnight at Hotel Astiti in Kupang.

Infantry Colonel Eliza Helamahua, commander of the 161/Wirasakti Military Area Command, said on Sunday night that the two U.S. journalists were to go to Dili from Kupang, but they were not allowed to enter Dili because they had only been authorized to cover APEC's activities.

Maxmilian Macacombo, an official at the Kupang Immigration Office, said the two foreign journalists arrived in Kupang aboard a Merpati airliner on Saturday at 1130 Central Indonesian Standard Time [0330 GMT].

Meanwhile, a number of East Timor youths who had been protesting at the U.S. Embassy since Saturday remained at the embassy compound Sunday night.

Students Gather at East Timor University

BK1411092994 Hong Kong AFP in English 0913 GMT 14 Nov 94

[FBIS Transcribed Text] Dili, East Timor, Nov 14 (AFP)—At least 500 university students and young East Timorese held a peaceful gathering on Monday at East Timor University in Dili, which was still tense a day after a massive riot, a university official said.

"There were no banners, no people shouting," a high-ranking university official who refused to be identified told AFP. He said, however, several protestors threw stones at a military barrack next to the university building after two youths were taken into the barrack for questioning.

"They were released later," he said, adding that he did not know the reason behind the gathering. But he said several youths allegedly involved in the riot on Sunday had persuaded the students, who were taking a mid-term examination, to join the two-hour gathering.

"For security reasons, we are making (Monday) and Tuesday a holiday," he added.

A witness said dozens of riot police had sealed the street leading to the university before the group dispersed.

In June, the university students were involved in a clash with the military after two soldiers verbally harassed two female students.

Meanwhile, East Timor Military Spokesman Major Laedan Simbolon said the body of the East Timorese who was killed on Saturday would be transported by helicopter to Bobonaro, about 200 kilometres (124 miles) west of here.

The killing of the East Timorese identified as Mario Vicente, a merchant at Bekora market, triggered Sunday the worst violence to shake the former Portuguese colony since 1991, involving some 1,000 mostly youths.

Dili was still tense on Monday with most shops and offices closed.

The rioters have burnt three motorcycles and damaged a car and vandalized dozens of shops belonging mostly to non-East Timorese.

A witness said riot police were still patrolling the town on Monday.

Only a few taxis and public transports were circulating in limited areas along the beach of Dili.

Taxi drivers refused to take passengers to the area near Bekora and 15 Oktober street, where the riot took place.

East Timor Unrest Said To Spread to Interior

LD1411102794 Lisbon RDP Antena 1 Radio Network in Portuguese 0900 GMT 14 Nov 94

[FBIS Translated Excerpt] Our correspondent Antonio Sampaio, live from Australia, gives us details of what is happening in East Timor:

[Sampaio] [Passage omitted] In Maliana, after the violent clashes in Baucau, there are also now fierce clashes. This is because the opposition tried to sabotage a number of Indonesian military positions in Maliana. The Indonesian forces retaliated against the civilian population. So, heavy clashes in Baucau and Maliana, and in Ermera there have been clashes since the early hours of the morning. The clashes are spreading throughout the interior of the territory. They are similar to the Dili clashes except that in the interior there are no foreign journalists. This means the Indonesians are not inhibited from using their weapons.

Our colleague Jorge Correia has spoken to a medical source in Dili, and confirmed there were injured people.

[Begin Correia recording] It was confirmed that there are 56 injured people in the military hospital and the central hospital. In the civilian hospital there were only 10 injured people, two are still there, one in a coma, the remaining eight have been discharged.

With regard to Dili, I was told that the whole city is occupied by soldiers, especially in the area of the shops and markets where the main clashes occurred yesterday. The older people and children remain at home—there is some kind of curfew in the city. The police are carrying out a sort of mass arrest operation. They are combing the city looking for protesters. [end recording]

Alatas, Japan's Kono Discuss East Timor

OW1211125594 Tokyo KYODO in English 1240 GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 12 KYODO—Japanese Foreign Minister Yohei Kono met his Indonesian counterpart Ali Alatas in Jakarta on Saturday [12 November] and expressed his hope for a peaceful settlement of the East Timor issue, officials said.

Kono was quoted as saying Japan hopes a peaceful settlement of the situation will be achieved, whether through the mediation of the United Nations or by direct negotiations.

Kono, who is in Jakarta to attend a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum, reportedly said he appreciates Jakarta's efforts to reach a settlement through dialogue with people in East Timor who oppose annexation of the island by Indonesia, and seek self-determination.

Alatas told Kono the Indonesian Government is considering measures to gain international understanding of its stance on the issue because most information has been distributed by its opponents, the officials said.

Indonesia has been accused of abusing human rights on the island of East Timor, which it calls its "27th Province."

Indonesia annexed the island in 1976 following the departure of Portugal, former colonial ruler of East Timor.

Laos

Progress in Joint MIA Searches Reported

BK1111074994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Nov 94

[FBIS Translated Text] Implementing the Lao People's Democratic Republic [LPDR] Government's humanitarian policy toward requests by the U.S. Government and the families of those missing in action during the war, and executing the Lao-U.S. bilateral cooperation plan for the 1994-95 period, joint Lao-U.S. technical teams have recently carried out activities in many provinces; namely, the Sianghon-Hongsa Special Zone and Luang Prabang, Xieng Khouang, Bolikhamsai, and Khammouane Provinces.

From 7 October to 7 November, the joint technical teams conducted one excavation each at sites in the Sianghon-Hongsa Special Zone, Luang Namtha Province, and Nambak District in Xieng Khouang Province and continued digging at two other sites that was left unfinished during the sixth joint operation carried out during the 1993-94 period. In addition, the Lao side also permitted U.S. technical teams to survey other old and new sites totalling 38 cases. Out of these, 10 excavations will be carried out in the future. The survey teams of the two sides also interviewed 146 eyewitnesses. At the three excavation sites, the joint technical teams uncovered much satisfactory evidence and information.

To increase the efficiency of cooperation and to show the good will of the Lao side, in response to a U.S. Government request the Lao side agreed to allow its U.S.

counterparts to increase the number of U.S. technical personnel in the teams from 30 to 40. These technical crews will be divided into four teams.

The above-mentioned joint operation has been executed exactly in accordance with the cooperation plan in an atmosphere of good understanding. The findings unearthed at the excavation sites will be sent to Hawaii for further identification.

Finance Minister Receives IMF Delegation

BK1111115394 Vientiane KPL in English 0915 GMT 11 Nov 94

[FBIS Transcribed Text] Vientiane, November 11 (KPL)—A technical group of the International Monetary Fund (IMF) headed by Anoop Sing, deputy director of IMF's Central Asia Department, on November 9 morning called on Khamsai Souphanouvong, minister of finance and the Lao PDR [People's Democratic Republic] governor to the World Bank and Asia Development Bank.

Also present at the meeting were Kikham Vongsai, deputy minister of finance, and high-level technicians of the two sides. The discussion dealt with the loan for the macro-adjustment project in Laos supported by the IMF.

The discussion demonstrated the goodwill of the Lao Government to cooperate with IMF and the IMF's financial support for the economic strength and growth of Laos.

On this occasion, the Lao minister of finance called on the sides' technicians to discuss and subsequently reach a basic agreement on the augmentation of the budgetary income and expenditure and the tax rate according to the reality of the Lao PDR.

New Accord Allows River Transport Into China

BK1111115594 Vientiane KPL in English 0909 GMT 11 Nov 94

[FBIS Transcribed Text] Vientiane, November 11 (KPL)—From November 1994 on, the passenger and goods transport vessels from the Lao PDR [People's Democratic Republic] can travel upstream to the upper Mekong River stretch called Lancang in China. These vessels can call at river ports of Kon Leui, Siang Houng (Jing Hong), and Meuang Ham in Siang Houng, and the river port of Simao.

The goods and passenger transportation from Simao upstream on the Lancang River needs permission from the authority in charge of communication of the People's Republic of China. While in China, the Lao vessels are obliged to honour laws of China and protect environment in that country as well.

These are stipulated in an agreement on goods and passenger transportation on the Mekong-Lancang Rivers reached here on November 9, 1994 between the Lao People's Democratic Republic and the People's Republic of China. The signatories to the agreement were Mr. Bouathong Vonglokham, Lao minister of communication, transport, post, and construction, and Mr. Huang Zhendong, minister of communication of the PR [People's Republic] of China.

Meanwhile, Chinese passenger and goods transport vessels can also travel downstream and call at river ports of Ban Sai, Siang Kok, Meuang Mon, Houai Sai, and Luang Prabang in northern Laos. In case of downstream cruise further, Chinese vessels are required to get permission from the authority in charge of communication of the Lao PDR, respect Laos' laws while in Laos and protect environment.

Besides, the two sides also signed protocols on land cross-border transportation and on the formulation of regulations on issuance of licences of land cross-border transportation between Laos and China.

According to the protocols, ministries of communication or authorities in charge of transport of the two countries are entitled to issue such licences and determine the routes for goods and passenger transportation.

PRC's Yunnan Delegation Arrives for Visit

BK1111115894 Vientiane KPL in English 0920 GMT 11 Nov 94

[FBIS Transcribed Text] Vientiane, November 11 (KPL)—A high-level delegation of Yunnan Province, People's Republic of China (PRC), led by Liu Shusheng, chairman of political councillor of Yunnan Province [title as received], arrived here yesterday afternoon on a cordial visit to Vientiane Prefecture between November 10-15, according to "VIENTIANE MAI" today.

The visit is aimed at strengthening and expanding the traditional relationship of friendship between the Lao and Chinese people, creating favourable conditions for the relations between the economic, cultural organisations of Yunnan Province and Vientiane Prefecture, writes the report.

Cambodian Delegation Concludes Visit

Deputy Premier Receives Group

BK1011134294 Vientiane KPL in English 0907 GMT 10 Nov 94

[FBIS Transcribed Text] Vientiane November 10 (KPL)—A delegation of the Kingdom of Cambodia led by Nhim Vanda, minister to the Prime Minister's Office, yesterday called on Khamphoui Keoboualapha, vice premier and chairman of the Committee for Planning and Cooperation.

The Lao leader on this occasion congratulated the Cambodian delegation for its visit to the Lao PDR [People's Democratic Republic] and qualified the visit as a step which will contribute to strengthen the relations of friendship and cooperation between Laos and Cambodia. Khamphoui Keoboualapha also reaffirmed the firm support of the Lao Government to the policy carried out by the Cambodian Government in order to promote national concord, the happiness and prosperity in Cambodia.

Minister Nhim Vanda thanked the Lao vice premier for his hospitality and briefed him concerning the results of the talks he had with the Lao side and reaffirmed that the Royal Government of Cambodia is determined to strengthen and consolidate the good relationship with Laos.

Delegation Ends Visit

BK1211145794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Nov 94

[FBIS Translated Text] The Kingdom of Cambodia delegation led by Nhim Vanda, minister attached to Prime Minister's Office of the Kingdom of Cambodia, left for home by plane yesterday after completing its working visit since 8 November to the Lao People's Democratic Republic.

During the visit, the Cambodian delegation met with its Lao counterpart to exchange experiences and seek possible ways to further strengthen and enhance the long-existing relations of friendship and cooperation.

The delegation also paid courtesy calls on Lao leaders and visited production bases.

Seeing off the Cambodian delegation at Wattai Airport were Phao Bounnaphon, minister and head of the Prime Minister's Office; and Khek Lerang, ambassador of the Kingdom of Cambodia to Laos; and a number of high-ranking Lao officials.

Reportage on Foreign Minister's Trip to Mongolia

Officials Receive Foreign Minister

BK1111113394 Vientiane KPL in English 0904 GMT 11 Nov 94

[FBIS Transcribed Text] Vientiane, November 11 (KPL)—The president of Mongolia and the president of the Great Hural Council of Mongolia confirmed with Lao foreign minister, Somsavat Lengsavat, on November 9 Mongolia's intention to further expand the traditional relations of friendship and multi-sided cooperation between Mongolia and Laos in accordance with the Treaty of Friendship and Cooperation between Laos and Mongolia reached on March 3, 1994.

The confirmation was made during the courtesy visits to the two leaders of Mongolia by a Lao delegation led by Somsavat Lengsavat, Lao minister for foreign affairs.

The Lao delegation arrived in Ulaanbaatar, on November 8 during its official visit to Mongolia between November 8-11, 1994 at the invitation of Mr. Tserenpiliyn Gombosuren, minister of external relations of Mongolia.

The Lao delegation had a meeting on November 8 with a delegation of the Ministry of External Relations of Mongolia headed by its minister, Mr. Tserenpiliyn Gombosuren. During the meeting the two sides informed each other of the situation of the socioeconomic development in their respective countries and discussed international issues of mutual interest.

At the Government House, the Lao delegation called on the prime minister of Mongolia and conveyed greetings from Khamtai Siphandon, Lao prime minister, to him and, through him, to all members in the Mongolian Government. The Lao foreign minister hailed the restructuring cause in Mongolia during the courtesy visit.

At night, the Lao delegation attended a reception hosted by Mr. Tserenpiliyn Gombosuren.

The Lao delegation on November 9 visited a carpet factory and the Museum of Natural Science of Mongolia, and had a meeting with Mongolian businessmen.

Radio Notes Activities

BK1211150794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 12 Nov 94

[FBIS Translated Text] According to a report from the Lao Embassy in Ulaanbaatar, Mongolia, Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic, is on the third day of his visit to Mongolia. He visited families raising livestock in an area 45 km from the Mongolian capital.

On 11 November, the Lao foreign minister granted an interview to local and foreign reporters in Ulaanbaatar. He noted that Mongolia's leading figures and people have shown love and intimacy toward his delegation and the Lao people. Somsavat Lengsavat said the two countries have the potential to cooperate in many fields, such as the construction of a hand-woven blanket factory, livestock, the development of hydropower electricity, and many other projects.

Official Reports on Economic Growth Rate

BK1011133394 Vientiane KPL in English 0910 GMT 10 Nov 94

[FBIS Transcribed Text] Vientiane, November 10 (KPL)—Over the past 10 years odd, the socioeconomic development in the Lao People's Democratic Republic has achieved gradual gains, making the annual rate of economic growth stand at 6 [percent]. The inflation rate has fallen from 12 [percent] in the 1980s to 6 [percent] in the 1990s. The basic living conditions of ethnic people are ensured.

This was stated by Mr. Somphong Mongkhonvilai, vice-president of the Committee for Planning and Cooperation, at the meeting on the execution of the 1994-1995 action plan and the preparation of a draft budget and plan for the year 1996-2000. The meeting was held at Lan Xang Hotel on November 8 with the participation of more than 50 officials engaged in socioeconomic affairs and representatives of mass organisations.

He stressed that the shift from subsistence and semi-subsistence economies to commodity economy has taken shape and developed at a quick tempo following the promulgation of the Constitution and laws, especially the foreign investment code.

Together with the success, Mr. Somphong Mongkhonvilai went on, there also exist difficulties due to the ununified practices complicating the determination of priorities and fund balance. This sees a need to modify working methods and correct cadres' and civil servants' concept for the sake of macro management, for the market-oriented economy with the regular and timely adjustment by the state to speed up the socioeconomic development, he added.

Philippines

Clinton Visit Triggers Demonstrations, Protests

Embassy Picketed; Abortion Stand Hit

BK1211084794 Hong Kong AFP in English 0501 GMT 12 Nov 94

[FBIS Transcribed Text] Manila, Nov 12 (AFP)—Left-wing groups picketed the US Embassy and Roman Catholic groups took out an advertisement attacking President Bill Clinton over abortion hours before the American leader was to arrive here Saturday.

About 100 demonstrators waving black placards demanded that Washington clean up what they alleged was toxic waste left behind in former US bases after the Philippines expelled all American troops in 1992, witnesses said.

The US Government has maintained that no substantial amounts of toxic waste were left behind at Subic Naval Base and Clark Air Base, which Manila is now turning into industrial, commercial and tourist centers.

Meanwhile, a full-page advertisement taken out by Catholic groups in the popular Philippine Inquirer newspaper told the US leader: "Don't talk about choice unless you choose life."

It was referring to his stand in favor of women's right to choose abortion in the United States, which has been accused by the Vatican of promoting abortion as a population-control method. The Philippines is largely Catholic. Clinton was to arrive here late Saturday for an overnight official visit.

"No superpower in the world can force us to change our stand" against abortion and artificial contraception, the Catholic groups said as they reiterated charges that the United States was funding the supply of artificial contraceptives to this country.

Abortion is illegal in the Philippines but Fidel Ramos, the Philippines' first Protestant president, is carrying out a campaign to promote the use of other artificial birth control methods.

'Leftists' Demonstrate Near Hotel

BK1211164994 Hong Kong AFP in English 1642 GMT 12 Nov 94

[FBIS Transcribed Text] Manila, Nov 13 (AFP)—US President Bill Clinton and his wife, Hillary, arrived in the Philippine capital late Saturday as some 500 leftists rallied in an attempt to disrupt his visit.

The Clintons arrived aboard US Air Force One at Manila international airport, where he was met by Philippine Vice President Joseph Estrada and other dignitaries. He was immediately whisked by limousine, followed by a convoy of US Secret Service agents, Philippine security forces and journalists, to the plush Manila Hotel.

Radio reports from inside the hotel said he was greeted by loud applause from guests and hotel employees.

A few hours before his arrival and just blocks from the Manila Hotel, about 500 leftists demonstrated against Clinton's visit.

The leftists, who had earlier burned US flags, tried to march on the hotel but were turned back by riot police, who used fire hoses and tear gas to disperse them.

Even as Clinton was entering the hotel, the leftists tried to regroup and force their way to the hotel but were blocked by fire trucks.

Clinton, Ramos Hold Joint News Conference

BK1311131394 Quezon City PTV-4 Television Network in English 1011 GMT 13 Nov 94

[Joint news conference by President Fidel Ramos and U.S. President Bill Clinton with foreign and domestic correspondents at Malacanang Palace in Manila, moderated by Press Secretary Jesus Sison and White House Press Secretary Dee Dee Myers—live]

[FBIS Transcribed Excerpt] [Passage omitted—introductions] [Ramos] Thank you, Mr. Secretary. Good evening ladies and gentlemen. Today, President Clinton and I took concrete steps toward enhancing Philippine-American relations. During our bilateral meeting, I expressed my sincere appreciation to President Clinton for the substantial participation of the United States armed forces in the commemoration of the 50th anniversary of the Leyte landings three weeks ago.

Our meeting this afternoon enabled us to discuss a wide range of issues with direct impact on our bilateral relations in the peace and stability of the Pacific, to acknowledge our debt of gratitude to America's commitment, to America's strength, and to America's keeping faith with her ideals and values in such areas as Haiti, the Persian Gulf, and the Korean peninsula.

We both agreed to build our partnership on the basis of mutual respect and mutual benefit reinforced by our common commitment to democracy and the rule of law. President Clinton and I recognized the value of enhancing the security and stability of the Asia- Pacific region, and reiterated our commitment to the peaceful resolution of conflicts. We agreed that only under such conditions can the full economic growth and prosperity of the Asia-Pacific region be realized.

I assured President Clinton that the Philippines will continue to support the peacekeeping initiatives of the United States and the United Nations, as we have recently manifested in the dispatch to Haiti of an initial contingent of 50 international police monitors, or IPM's, from this country, and I also congratulated him for the United States' role in the series of breakthrough agreements for peace and development in the Middle East and in the Korean peninsula, which has lifted our hopes for its eventual denuclearization.

I have been assured in turn by President Clinton that he will encourage a higher level of investments by Americans. I also acknowledge his government's support for our bid to attain newly industrializing country, or NIC, status by the turn of this century. We further agreed to find ways and means to improve our two-way trade. The United States continues to be our number-one trading partner, and we believe that we can greatly expand our trade by the further lowering of trade barriers. To accelerate trade liberalization, President Clinton and I agreed on the urgency of the ratification of the Uruguay Round of the General Agreement on Tariffs and Trade by member countries. I assured him of the Philippines' commitment to trade liberalization and investment facilitation which must be accompanied by condition of national stability and political will. We also agreed that the Asia Pacific Economic Cooperation, or APEC, leaders' summit in Indonesia will be a landmark forum that will shape the future course of the economy of the entire Asia-Pacific area and indeed of the world.

And we both affirmed the value of the Philippine-U.S. Mutual Defense Treaty, or the MDT, and its contribution to regional security and stability. We agreed that our joint exercises, which are planned by the Mutual Defense Board, should be continued to ensure the interoperability of military units.

I appreciate President Clinton's effort to help resolve the longstanding issue of the claims of Filipino veterans of World War II with the United States Government, even as I acknowledge the concern of leading members of the U.S. Congress for the restoration of Filipino veterans' rights.

I welcome his assurances that the United States will work hand in hand with the Philippine Government in helping to promote the welfare of Amerasians in the Philippines.

President Clinton and I renewed our commitment to the protection of the environment and the preservation of the world ecological balance.

And lastly, I reiterated my appreciation for the warm welcome and hospitality extended by President Clinton and the American people during my visit to the United States last year.

We look forward to moving Philippines-United States partnership to a higher and more mutually beneficial level in the years to come. Thank you very much. Thank you to all of you. [passage omitted—President Clinton's statement and Sison announcing ground rules for question and answer session]

[Velasquez] Good evening, sirs. I'm Tony Velasquez from Channel 5 Manila. My question is for President Ramos.

Earlier today, you applauded America's intention to remain engaged in the Asia-Pacific region. There has been much talk lately of United States' plans for prepositioning war materiel within the territories of strategically located countries such as the Philippines. Even now, reports indicate Manila and Washington are looking at a proposed agreement allowing U.S. warships to resupply and to refuel in the Philippines. Given these developments, in what direction do you want Philippine-American military cooperation to change or to evolve into during your term, or just how active a military presence do you want America to have both in the Philippines and in ASEAN's territory in the future?

[Ramos] Thank you, Tony. First of all, we should distinguish between the floating depot issue and the lesser issue of servicing, which includes rewatering, refueling, and minor repairs and also rest and recreation.

The servicing aspect is already being done. Example of this would be the visits last year of an American ship plus other ships from other countries. We are doing this for them. And the most recent example is the visit here in Manila and later on in the Subic area of the ships that went on to participate in the Leyte landings.

In regard to the so-called floating depots, we really have not seen any official proposal in regard to that kind of an arrangement. And we will, however, be happy to consider this at the level of the working officials, meaning at the level of the Mutual Defense Board. But by no means is that a policy right now of the Philippine Government.

Now, as far as directions that I would like to see, and the security relationship between the Philippines and the

United States is concerned—I think I said that on many occasions during the course of this day—I said we would like to be closely related with the United States under our U.S.-Philippines Mutual Defense Treaty, which has been in force since 1951. And under this arrangement, we're able to have combined and joint exercises to test the interoperability of our military units.

The Philippines derives a great deal of benefit from this kind of training exchange because we get to know what are the new technologies in military science. And also, under the treaty, there is a regular mechanism for consultation among our highest military officials, represented on the part of the United States by the commander in chief of the Pacific, no less, and our chief of staff of the Armed Forces.

So we think that this is a very important relationship, and the approach must be based on our commitments under the Philippine-U.S. Mutual Defense Treaty. Thank you. [passage omitted—question about Republican Party election gains and Clinton's reply]

[Cruz] Good evening, sirs. Booma Cruz from the MANILA CHRONICLE.

President Clinton, in a hearing at the Philippine Senate a few days ago, a group of scientists—citing Pentagon reports—identified more than 40 sites in Clark and Subic as believed to be contaminated with hazardous waste. Your government has offered financial assistance and technical support for surveys to check if there are environmental damages in both former U.S. military bases. Is your government willing to accept moral as well as financial responsibility for cleaning up the bases in case these surveys prove that there are toxic waste in Clark and Subic? [passage omitted—Clinton's reply]

[Ramos] May I just add by way of confirmation, ladies and gentlemen, that I brought up the issue during our one-on-one talk with President Clinton and he readily agreed that at the level of the technical people and the working people, principally in the Departments of Foreign Affairs, Environment and Natural Resources, as well as the base authorities, that we put all our expertise together about the subject because we have studies on our side that are rigorous on the part of the U.S. Government, which have not yet been thoroughly collated, so that we will get to the truth of the matter.

And while it may not be just toxic waste, we may really be talking here about pollutants which could have been sourced from many other places in addition to the naval forces in Subic. But anyway, we will get a good effort going together. [passage omitted—additional remarks by Clinton; question on U.S. politics and Clinton's reply]

[Tordesillas] I am Ellen Tordesillas. I am working for MALAYA newspaper. [passage omitted—question on Clinton's reasons for visiting Philippines and his reply]

For President Ramos, are you satisfied with the support you are getting from friends like the United States on the path of democracy that you have taken?

[Ramos] Thank you. May I just make two points very clear? First of all, we are trying to achieve economic and social reform in this country under a democratic framework which may be more time-consuming and may require a little more patience than other systems. We feel we are on the right track and we are now seeing the initial fruits of that devotion to the rule of laws, to people power, and to the overall democratic system.

Secondly, I think no one can ignore the fact that over the last 20 years, there are no more democracies functioning in Asia-Pacific, our region, than there were two decades ago. And so, to me this is the right track, and the Philippines is following precisely that way to reach political, social, economic, and cultural development. [passage omitted—question on human rights issue in Indonesia and PRC and Clinton's reply]

Officials Hail Extradition Treaty With U.S.

BK1411104894 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 14 Nov 94

[FBIS Translated Text] Vice President Joseph Estrada, chairman of the Anticrime Commission [AC], today expressed happiness with the result of U.S. President Bill Clinton's visit to the country.

Clinton made a stopover in Manila last Saturday before heading to Jakarta, Indonesia yesterday to attend the Asia Pacific Economic Cooperation meeting.

Estrada in particular cited the extradition treaty signed with the United States. He added that once the treaty is ratified, the AC is ready to take the necessary steps to extradite Filipinos hiding in the United States.

Meanwhile, Justice Secretary Franklin Drilon also expressed satisfaction with the signing of the extradition treaty. Drilon said that, with the signing of the treaty, the door for accused Filipinos wanting to escape to the United States is completely shut.

There are presently 50 Filipinos facing various charges who are hiding in the United States. Among them are Marilyn Nite, an official from a dissolved investment house who is facing a swindling charge in connection with a securities scam; Gaspar Domingo, who is involved in the murder of Bong Mitra, a relative of former Speaker Ramon Mitra, Jr.; and comedian Jerry Pons.

However, Drilon said the extradition treaty does not cover political prisoners.

The Senate is expected to ratify the treaty as soon as possible.

Ramos Departs for APEC Summit in Indonesia

BK1411085394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 14 Nov 94

[FBIS Translated Text] President Fidel Ramos left this morning on a four-day official visit to Indonesia to attend the Asia-Pacific Economic Cooperation [APEC] meeting. In his departure message, the president said he will take advantage of the opportunity to meet the Asia-Pacific leaders during his visit.

Included in Ramos' official party is first lady Amelita Ramos, Foreign Affairs Secretary Roberto Romulo, Trade Secretary Rizalino Navarro, and Press Secretary Jesus Sison.

The Asia-Pacific countries' trade with the industrialized countries will be the leading issue tackled by the countries participating in the APEC meeting.

The president said the meeting is important in realizing the country's ambition to be among the ranks of the newly industrialized countries.

Thailand

Further on Australian Allegations of KR Links

Chuan, Thaksin on 'Uncivil' Allegations

BK1011164794 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 10 Nov 94

[FBIS Translated Text] In connection with the allegation made by the Australian Government that Thailand supports the Khmer Rouge and the reported recruitment of Burmese students to investigate human rights violations in Thailand, Police Lieutenant Colonel Thaksin Chinnawat, foreign minister, said such accusations were uncivil, adding that they should produce evidence so the wrongdoers can be punished. The Foreign Minister at this stage can only express his discontent. He said:

[Begin Thaksin recording] We, Thailand, have rules and regulations. Officials who commit offenses are always punished if we can prove their guilt. If Australia has any evidence, it should provide it to us. It should not make groundless accusations; that is not right. If an Australian national commits a crime in Thailand, it would not be right for us to say that he is supported by the Australian Government. Such a statement is irresponsible; nobody will do that. The accusations might be made for political purposes, but they cause damage to other countries. This is an ill- mannered act. [end recording]

Meanwhile, Prime Minister Chuan Likphai said that he would instruct the Foreign Ministry to expedite the investigation into the matter. He said some organizations are exploiting the human rights issue. The prime minister said:

[Begin Chuan recording] This is nothing new. The problem has long existed, but it is not that serious. We tend to treat it lightly. Therefore, these people [Burmese students] take the opportunity to exploit human rights organizations. We always let them make the choice. If they want to return home they can do so, but if they choose to stay they must abide by our laws. [end recording]

Talks on Khmer Rouge Canceled

BK1211094094 Bangkok THE NATION in English 12 Nov 94 p A2

[FBIS Transcribed Text] Thailand and Australia have agreed to cancel the bilateral ministerial talks, scheduled for today, aimed at resolving their fresh row over the Khmer Rouge question, fearing the issue would overshadow the ongoing Asia Pacific Economic Cooperation (Apec) meetings, said an informed source.

It was not known who proposed to cancel the ministerial talks, but both Foreign Minister Thaksin Chinnawat and Australian Foreign Affairs Minister Gareth Evans earlier made it clear this issue would be given priority in their bilateral meeting.

However their Prime Ministers' meeting is still set for Nov 14 and expected to focus on the question, said the source.

According to the source, the change of heart came out of both ministers' dismay over reporters' unceasing questions about the Thai-Australian row instead of Apec issues.

Thai leaders challenged Canberra to produce evidence backing Evans' claims that some Thai businessmen and military officers still harboured and supported the Khmer Rouge and his criticism that the Thai government's control over this situation was lax. They said they were ready to take drastic action if these accusations were true.

Evans was deluged with questions concerning the row at the press conference in Jakarta on Thursday.

"While it is certainly true that since the Cambodians themselves outlawed the Khmer Rouge there has been significantly less contact than in the past, nonetheless there still seems to be significant support being rendered to the Khmer Rouge from individuals and groups on the Thai side of the border. It is a question of whether or not more can be done to limit that," said Evans.

Ministers Reportedly Defuse Dispute

BK1311135794 Bangkok THE SUNDAY POST in English 13 Nov 94 pp 1, 3

[Report by Nusara Thaithawat in Jakarta]

[FBIS Transcribed Text] Thailand and Australia last night may have settled a row over comments by Foreign Minister Gareth Evans that some Thai elements still maintained links with the Khmer Rouge when he admitted the "secret evidence" he had to back the allegations was "obsolete."

Mr Evans also pledged to make an official statement to the press on the issue as soon as possible, Foreign Minister Thaksin Chinawat told reporters after a nine-hole golf game with his Australian counterpart.

Dr Thaksin said the planned meeting between the two during the ongoing meeting of the Asia Pacific Economic Cooperation (Apec) group turned into a golf game "so we can have more time to talk."

Australian reporters said Mr Evans told them earlier that he had "secret evidence from satellite pictures" to show the movement of Khmer Rouge guerrillas across the Thai-Cambodian border.

But when Dr Thaksin asked his counterpart to produce the evidence to back his allegation during their golf game and ensuing meeting, he was told by Mr Evans that he rechecked his information and found out that the evidence was "obsolete."

"I told him if he had hard evidence he should forward it to us so that we can deal with our people," Mr Thaksin said.

He said he had complained about the comments, which had damaged Thailand's reputation and also had hurt Thai sentiment toward Australia.

Mr Thaksin said he trusted the Australian foreign minister would make the statement to clear the air last night or this morning and this should settle the issue.

"If Australia drops the issue, so will we. If they press on, then we'll continue to challenge them," he said.

"I understand the circumstances under which Senator Evans told reporters of the allegations. It was at the time when Australian hostage was killed," said Mr Thaksin.

In retaliation, Army chief Gen Wimon Wongwanit alleged that Australian David Wilson, who was killed, was "a spy".

Prime Minister Chuan Likphai also said Australia was trying to make a scapegoat of Thailand for the killing.

"Well, I can't possibly believe that he was accurately quoted because obviously there is no substance whatsoever in that suggestion," Mr Evans told reporters before the golf game.

Mr Evans said he did not have any doubts about the Chuan government and senior military officials concerning the Khmer Rouge, but he asked Thailand to do more to stop the movement of the guerrillas across the border.

Mr Evans said may be the Thai government was doing the best it realistically could given the difficulty of extracting hard evidence of "what's going on down there, given the difficulty of bringing people to order".

He could not be contacted for comment after the golf game.

Foreign Minister Thaksin said he planned to pay an official visit to Phnom Penh on November 21 to reiterate Thailand's support for the elected government of Prime Ministers Prince Norodom Ranariddh and Hun Sen.

"We want to reassure Cambodia of our commitment and also to create better understanding in the international community about our relations."

He said his staff would work on the visit as soon as he returned to Bangkok from the Apec meeting. He said he had been told unofficially that the Cambodian leaders might be free to receive him at the time.

Ministry To Review Arms Purchase

BK1311131494 Bangkok Radio Thailand Network in Thai 1200 GMT 13 Nov 94

[FBIS Translated Text] Commenting on Australian Parliament's concern that weapons sold by its government to Thailand could wind up in the hands of the Khmer Rouge, Prime Minister Chuan Likphai said he has ordered the Defense Ministry to review any purchase plans for Australian weapons.

[Begin Chuan recording] Some people in the parliament called for caution in selling weapons to Thailand for fear that Thailand might forward them to the Khmer Rouge. These people still have such an opinion. I have read this from the minutes of their legislative proceedings. Since they still think this way, I ordered the Defense Ministry to review any purchases of Australian weapons. We will not buy weapons from them if they still think this way. [end recording]

'Boycott' of Australian Arms Announced

BK1411033094 Bangkok BANGKOK POST in English 14 Nov 94 p 1

[FBIS Transcribed Excerpt] Conflict with Australia over allegations of continued Thai connections with the Khmer Rouge has intensified as Bangkok announces a boycott of Australian weapons for the Thai military.

Prime Minister Chuan Likphai disclosed yesterday he had instructed the Defence Ministry not to buy weapons from Australia because of lingering belief among Australian lawmakers that such arms may end up in the hands of the Khmer Rouge.

The prime minister's disclosure came only one day after there were signs of rapprochement in the ongoing row sparked by comments from Australian Foreign Minister Gareth Evans that Thai nationals were involved in funnelling aid to the outlawed Khmer Rouge.

The Australian minister up set the Thai Government when he told Australian reporters he had "secret evidence from satellite pictures" to show the movement of Khmer Rouge guerrillas across the Thai-Cambodian border.

He made the remarks after it was confirmed last week that an Australian hostage, abducted along with two other Westerners by the Khmer Rouge, was murdered by the guerrillas.

But Mr Evans was quoted as saying during a golf game with his Thai counterpart Thaksin Chinnawat in Indonesia on Saturday his evidence was "obsolete."

Speaking to reporters prior to leaving for Indonesia to attend the Asia and Pacific Economic Cooperation summit, Prime Minister Chuan said he had read an Australian parliamentary report and found that many still believe Thai support for the Khmer Rouge was evident. [passage omitted]

The prime minister further declined to elaborate on details of the purchase plan but it was inferred that the boycott involved new assault rifles to replace aging M-16s, which have been in use for nearly two decades.

Army commander-in-chief Wimon Wongwanit threatened three months ago a boycott of Australian rifles when some non-governmental groups in Australia publicly voiced concern that the firearms may land in the hands of the Khmer Rouge if sold to Thailand.

Government-owned Australian Defence Industries (ADI) is vying for a contract to supply [Australian dollars] A$130 million (US$96 million) worth of its Steyr assault rifles to the Thai army.

During the height of the controversy in August, Australian Defence Minister Robert Ray was quoted as supporting ADIs bid to secure the rifle contract and warned that Australia's defence links with Thailand could be damaged if the Australian firm is barred from the bid.

The army later confirmed that ADI would not be barred from bidding for the replacement of M-16s.

Prime Minister Chuan told reporters he is ready to supply his Australian counterpart Paul Keating, when they meet at the APEC summit at Bogor, all information to disprove that Thailand still supports the Khmer Rouge.

The premier said he had consulted Defence Minister Wichit Sukmak who had assured him that all Armed Forces commanders had insisted none of them had provided support to the Khmer Rouge.

Mr Chuan said he had yet to be informed about the meeting between Mr Thaksin and Mr Evans in Indonesia on Friday.

While insisting that the Thai authorities have provided no support for the Khmer Rouge, Prime Minister Chuan admitted that Thailand may be unable to fully prevent Khmer Rouge guerrillas from crossing over to the Thai soil. "The Thai-Cambodian border is 800 kilometres long and ill-defined. It is true that Khmer and Thai villagers cross the border for local contact, however, the chances that the Khmer Rouge cross over in the form of an army were remote," the prime minister noted.

He said it was nearly impossible for authorities to distinguish Thai and Cambodian villagers since they dressed and appeared the same.

Mr Chuan said he did not regard the conflict with Australia as a crisis.

The premier suggested that Mr Evans' remarks about alleged Thai links with the Khmer Rouge reflected Australian domestic problems.

"They don't know who to blame for the killing of one of their citizens," Mr Chuan said.

Paper Criticizes Canberra 'Slander'

BK1211143594 Bangkok MATICHON in Thai 12 Nov 94 p 2

[Editorial: "Kangaroo—Do Not Be Overaggressive"]

[FBIS Translated Text] The Australian Government has continued to slander Thailand about supporting the Khmer Rouge despite the Thai Government and military's challenge to provide proof rather than make groundless accusations. In the latest development, Australian Defense Minister Robert Ray made remarks on the same issue, adding cynically that he hopes that if his country sells weapons to Thailand they will not fall into the hands of the Khmer Rouge.

The Thai Government is being too polite in not responding strongly to the Australian slanders. It could be that the government understands that Canberra has to find a scapegoat to placate the anger of Australians over the murder of their fellowman in Cambodia. The result is Thailand becoming a scapegoat for Australian politicians. In fact, Australian ministers had made remarks against Thailand many times before the latest round of accusations over the death of the Australian hostage.

It can be said that the Australian Government looks at the issue only from its own selfish perspective. It does not consider the fact that the great length of the rugged Thai-Cambodian border makes it impossible for Thailand to control it tightly enough to prevent the Khmer Rouge from entering illegally. Australia should, however, know that the Thai Government has repeatedly said that it does not support the Khmer Rouge. The Thai military has also given assurances that it will punish officers who abet the Khmer Rouge.

In any event, if Australia is so concerned about the Khmer Rouge menace, it should play a greater role in fighting them in Cambodian territory. It should offer this assistance to the Phnom Penh government rather than make anti-Thai remarks. If it thinks it can contain the Khmer Rouge it should send troops to guard the border to prevent them from sneaking into Thailand or engaging in smuggling activities along the border. It would be better to do this than to make abusive remarks against another country.

It is not fitting for Australia, which is a friend of Thailand, to make remarks that hurt the feelings of the Thai people. Is the Australian Government thinking sefishly, seeing itself as superior to other countries in the region and therefore, does not care if its remarks are offensive? Last year, the Australian prime minister made remarks that offended the Malaysian prime minister and caused ties between the two countries to sour for some time. This should serve to remind the Thai Government that to be too polite to a certain country will cause the other to overlook its flaws and forget the virtue of modesty.

Army Chief: Spying Caused Australian's Death

BK1211125894 Bangkok BANGKOK POST in English 12 Nov 94 p 2

[FBIS Transcribed Text] When its "espionage activities" led to its own people getting killed in Cambodia, the Australian government decided to make a scapegoat out of the Thai military, the Army Commander-in-Chief claimed yesterday.

"Why don't you find out why these Australians were killed in Cambodia? They were killed because they got involved in espionage activities," Gen Wimon Wongwanit told reporters.

Gen Wimon claimed that there is great dissatisfaction among Australians, expressed through their opposition politicians, about the Australian government's policy on Cambodia.

The Australian government seized on the Thai military as a scapegoat for its "foreign policy failures" in Cambodia, he claimed.

As an ally of Thailand, if Australia finds anything wrong or improper with the Thai military they should raise the problem with the Thai government or the Thai military, Gen Wimon said.

Australia has alleged that a number of individual Thai soldiers and businessmen are still involved in trading with and offering other backing to the Khmer Rouge.

Australian Foreign Minister Gareth Evans made the comments earlier this week after the body of an Australian tourist who was abducted and killed by the Khmer Rouge was repatriated.

There have also been allegations that the Australian embassy in Bangkok paid Burmese students to spy on Thai officials for alleged human rights abuses against Burmese refugees. The Australian embassy has denied the allegations.

Embassy Denies Employing Burmese as 'Spies'

BK1111042594 Bangkok THE NATION in English 11 Nov 94 p A4

[FBIS Transcribed Text] The Australian Embassy yesterday denied reports that it paid Burmese students for information about human rights abuse of Burmese immigrants in Thailand.

In a statement the embassy said that it was normal practice for a parliament to send letters to non-governmental organizations and individuals seeking cooperation into inquiries on human rights.

"Anyone—governments, government organizations, non-government organizations or individuals can request information," the statement said.

"The terms of reference for the (Australian) Human Rights Sub-Committee of the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade allows it to inquire into, and report on, the human rights situation in Burma," it continued.

"The Human Rights Sub-Committee should not be confused with the Foreign Affairs Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade which is to visit Thailand between Nov 18 and Dec 1 to examine Australia's relationship with Thailand."

The Australian Ambassador to Thailand, Caven Hogue, yesterday met national police chief Pol Gen [Police General] Phot Bunyachinda to deny reports that some Burmese students were being hired by Canberra to spy for Australia.

Phot said Hogue told him the reports were ridiculous and untrue.

On Wednesday an informed Special Branch police source, who asked for anonymity, said the Australian Parliament made inquiries through its Bangkok Embassy into human rights abuse of Burmese living in Thailand.

The source said the inquiries were followed up by some exiled Burmese students serving as Canberra's "spies" here in exchange for financial assistance.

" They would report on human rights violations on the Thai- Burmese border," the source said.

"Thai intelligence officials have kept a close watch on this development and have reported constantly to the Foreign Ministry."

But Burmese student sources confirmed there is a Burmese student group working on assignment for the Australian Embassy here.

"However the group is not as active as previously because many of them have already gone to Australia or the United States," one source said.

"At present there are about 10 people working in the group."

An Interior Ministry official said yesterday he did not know of the report.

"However the report, if it is true, is expected and understandable. Australia has received many Burmese students from Thailand. It contacts and consults the

Interior Ministry about their allegations, but in the meantime it has to rely on the Burmese side," he said.

Asked whether the Australian government had requested any cooperation from the police, Phot said it had not.

Phot said he and the ambassador just talked about cooperation between the Thai and Australian police over drug suppression.

Prime Minister Chuan Likphai said he had learnt about the allegation from a newspaper and was waiting for a report from the Foreign Ministry.

It would be scandalous if Canberra really had sent Burmese students to look into human rights conditions in Thailand.

Asked why the Australian government had again accused Thailand of providing assistance to the Khmer Rouge, Chuan said: "It may be because an Australian was killed (by Khmer Rouge guerrillas), so I understand that their government has to find out who was responsible for his death."

Chuan said the government has told the Burmese students that they can return to their homeland if they want to. If they decide to stay here they must abide by Thai law.

"I have heard that Burmese students in refugee camps often have disputes with villagers near the camps, particularly over villagers' daughters. Some villagers have even tried to take their revenge on certain students," the prime minister said.

Former foreign minister Prasong Sunsiri said he thought other human rights organizations, not just the Australians, might also be involved in the practice.

"Such behaviour stems from a narrowminded point of view. These people (who hire spies) are only concerned about their own country's interests, while not caring about the other country's at all," Prasong remarked.

Prasong said Burmese students have no right to spy for another country in Thailand. Anyone doing so should be arrested.

He said the Australian government's actions were in violation of Thai people's rights. Thailand had a responsibility to provide accommodation for hundred of thousands of refugees from neighbouring countries, particularly Cambodia, but this fact was always overlooked.

Police Seize SAM-7 Missiles Destined for Khun Sa

BK1111035794 Bangkok BANGKOK POST in English 11 Nov 94 p 6

[FBIS Transcribed Text] Chiang Mai—Border Patrol Police yesterday arrested two men carrying two SAM-7 anti-aircraft missiles which they were allegedly planning to deliver to the minority rebels of drug warlord Khun Sa in exchange for heroin.

About 50 policemen besieged an area near Ban Piang Luang on the Thai-Burmese border in Wiang Haeng district.

They set up a checkpoint on a highway from Chiang Dao to Wiang Haeng districts on Wednesday after getting a tipoff that the illegal war weapons would be handed to Khun Sa's Mong Tai Army that day.

They waited until a pick-up entered the area and told it to stop. Three men in the truck opened fire on the police, and after a shootout lasting half an hour, the truck driver was shot in his left arm and thigh and the three tried to escape. But the truck lost control and fell into a ravine.

Because of darkness, police surrounded the area and waited until yesterday morning to begin hunting for the three.

In the ravine they found two men lying near the truck. The wounded driver was identified as Manat Thapman, 30, and the other was his brother-in-law, Bunthing Bangsi, 27.

Both are natives of Phichit Province. The third man escaped.

The two suspects allegedly confessed to having been hired to deliver the missiles, worth about 600,000 baht each, to Khun Sa's rebels, who in return were to provide about 7.5 kilogrammes of heroin valued at 120,000-130,000 baht a kilo.

Government Urged To Watch U.S. Congress on GATT

BK1211150194 Bangkok THAI RAT in Thai 12 Nov 94 p 3

[Editorial: "Let's Hope America Will Not Kill GATT"]

[FBIS Translated Text] The Democrat Party has lost badly in the U.S. midterm congressional elections to the Republican Party, ending its domination of the U.S. Congress for the past 40 years. The international community was stunned by the Democrat Party's defeat, concerned that the long-awaited GATT agreement may be killed.

It is a strange phenomenon that the U.S. legislative branch which comprises the House and Senate is always controlled by the rival party of the president. The Democrat Party controlled the Congress for the past 40 years because the U.S. presidents were from the Republican Party during those years. Americans might deliberately vote for a congressmen from a different party as a way to balance the power of the president.

But, the international community is concerned that the U.S. legislative branch, which is now dominated by the

Republicans, may reject the General Agreement on Tariffs and Trade (GATT). The international community has taken as long as seven years to conclude the GATT agreement, including the formation of the World Trade Organization [WTO] which will take effect on 1 January next year. However, the GATT agreement will be killed if the U.S. Congress fails to ratify it before the end of this year.

If Congress does not ratify the agreement, this would mean that the United States will not join GATT. Without U.S. participation, a world free trade system cannot be realized. The world will turn to trade protectionism with each trade group adopting high tariffs and quota systems to protect their own interests.

The WTO, to be set up next year, may just be a paper tiger because the United States, which is the biggest export market for many countries, may take measures to restrict any particular product or country with its trade act. The United States can use Article 301 against any country any time, while it will be difficult for the others to complain that U.S. has violated GATT rules.

We would like to warn the government that it should keep a close watch on the U.S. Congress so that we can adopt an appropriate stand on international trade as Thailand has played a significant role in both GATT and APEC.

Vietnam

Finnish Economic Delegation on Official Visit

Deputy Premier Meets Delegation

BK1011155494 Hanoi VNA in English 1457 GMT 10 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 10—Deputy Prime Minister Phan Van Khai received here today an economic delegation of the Finnish Government led by Mr. Seppo Kaariainen, minister of industry and commerce who is here on a working visit.

The Finnish delegation includes representatives of a number of big companies which have assisted and cooperated with Vietnam in the fields of shipping building, water supply, port construction, and so on.

Minister of Trade Le Van Triet was also on hand.

Speaking to his guests, Mr. Khai thanked the Government and people of Finland for their impartial support, solidarity and friendship that they have reserved for Vietnam. He welcomed the MOUs and agreements signed during the current working visit by the Finnish delegation and considered it as a basis for a new step of development of the relations between the two countries.

For his part, minister Seppo Kaariainen informed Mr. Khai of the working programme of the Finnish delegation and led emphasis on the useful talk the delegation and its Vietnamese counterpart and a bilateral agreement on economic, scientific, technological, industrial and commercial cooperation scheduled to be signed tomorrow. [sentence as received] Minister Seppo Kaairiainen also expressed the Finnish Government's and people's wish to promote their cooperation with Vietnam especially in commerce.

Cooperation Pact Signed

BK1311075194 Hanoi VNA in English 1438 GMT 12 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 12—An agreement on economic, scientific, technological, industrial and commercial cooperation between Vietnam and Finland has been signed here recently.

Signatories were Minister of Trade and Industry Mr Seppo Kaariainen, who led a Finnish delegation to visit Vietnam from Nov. 9-12, and Minister Do Quoc Sam, head of the State Planning Commission. Under this agreement which laid down principles for the bilateral cooperation and the promotion of cooperation, a joint inter-governmental commission will be set up .

On this occasion, representatives of the Finnish Export Credit (FEC), and of the State Planning Commission signed an agreement on soft loan, under which the Finnish Government grants Vietnam an preferential credit of USD 25 million.

While here minister S. Kaariainen held talks with Minister of Trade Le Van Triet. Both sides discussed a number of matters in order to further promote the multi sided cooperation between Vietnam and Finland.

Earlier Mr. S. Kaariainen had working sessions with Foreign Minister Nguyen Manh Cam and Vice Minister of Energy Nguyen Duc Phan.

The delegation attended the exhibition 'EPM Vietnam '94' where Finnish products were on show, and paid floral tribute to President Ho Chi Minh at his mausoleum.

Commentary Reviews Cooperation With Finland

BK1211152294 Hanoi Voice of Vietnam in English 1000 GMT 11 Nov 94

[Station commentary]

[FBIS Transcribed Text] Deputy Prime Minister Phan Van Khai has met in Hanoi with Finnish Government economic delegation led by minister of industry and commerce, Mr. Seppo Kaariainen. Here is our talk on relations between Vietnam and Finland:

As in relations with other countries, relations between Vietnam and Finland has continued to develop. Many Finnish-funded projects are being carried out in Vietnam and Minister Seppo Kaariainen expressed relations are the results of the delegation's mission in

Vietnam, including a meeting with the Ministry of Trade of Vietnam and signing an agreement on economic, scientific, technical, industrial, and trade cooperation. An agreement on privileged credit was signed on 10 November between the State Planning Committee and the Finnish Export Credit Fund. The Finnish minister expressed the desire to further develop cooperation and investment, especially in commerce between the two countries.

Deputy Prime Minister Phan Van Khai thanked the government and people of Finland for their impartial support, solidarity, and friendship that they have reserved for Vietnam especially during the years Vietnam was subjected to the embargo. He welcomed the agreements signed during the visit by the Finnish delegation and considered them a basis for a new stage of relations between the two countries. Vietnam and Finland have a traditional friendship. The Finnish Government and people have reserved for Vietnam effective support and assistance in the most difficult times. The Finnish Government continued to assist Vietnam upgrade water supply system of major cities. These are bringing effective results.

In 1993, the Finnish Government signed with Vietnam an agreement on a water supply project for Haiphong port city costing $8 million in its second stage. The project will be accomplished in three years. Finland has already successfully carried out a water supply project in Hanoi. The Finnish minister said cooperation between Vietnam and Finland have lasted 20 years, mainly in water supply projects and a project to help [word indistinct] shipyard. Finland also carried out a project on computerization in Haiphong port city. These projects are a fruitful manifestation of cooperation between the two countries. Now the two countries are expanding the cooperation area to forestry and environment.

Minister Seppo Kaariainen said cooperation between Vietnam and Finland are developing because Vietnam was an interesting country. Many Finnish people know about Vietnam and the Vietnamese people know a lot about Finland. It was a favorable condition for further development of bilateral cooperation and friendship.

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